

ED COMMITTEE #1
April 14, 2008
Worksession

MEMORANDUM

April 10, 2008

TO: Education Committee

FROM: Essie McGuire, Legislative Analyst *Essie McGuire*

SUBJECT: **Worksession – FY09 Operating Budget, Montgomery County Public Schools, *continued***

Today the Education Committee will continue its review of the Montgomery County Public Schools FY09 Operating Budget. Shirley Brandman, Vice President, Board of Education; Jerry Weast, MCPS Superintendent; Larry Bowers, MCPS Chief Operating Officer; and Marshall Spatz, MCPS Director, Department of Management, Budget, and Planning are expected to attend this worksession. In addition, other MCPS representatives as well as staff from the County's Office of Management and Budget will be present.

At its first worksession, the Committee received an overview of the Board's FY09 budget request, including an overview of enrollment and demographics, revenues, and expenditures.

This packet reviews the proposed budget initiatives, reductions, and selected other operational cost issues. The Committee is scheduled to receive updated information on special education programs at the next worksession (April 21). These updates will include projected enrollment and costs; hours-based staffing; and the phase out of secondary learning centers and the Mark Twain program.

The Council continues to hear public testimony on the operating budget at the time of this printing. In the testimony to date, constituents have raised concerns about potential reductions to magnet and other special programming; middle school reform; and parent community coordinators. In addition, most speakers have emphasized the need to preserve current class size ratios. A small number of speakers have supported the Executive's recommendation for a more limited increase in the MCPS budget.

I. PROPOSED INITIATIVES

For the purposes of its budget, MCPS defines an initiative as any significant change to or expansion in service. For FY09, the initiatives primarily continue implementation of recent initiatives, build on current policies, or expand pilot programs. In some cases, the proposed initiatives would maintain a current level of service.

Together, the funding increases for FY09 requested in the category of initiative total \$10.2 million. Council staff has grouped the proposed initiatives below according to their relationship to current programs and levels of service. A list of the Board's final requested initiatives is attached on circle 2 and full discussion of the initiatives begins on circle 3.

As context, the chart on circles 35-38 (prepared by MCPS) shows the cumulative investment in key initiatives since 2001. These total over \$138 million since FY01. The major areas are class size reduction, implementation of all-day Kindergarten, middle school reform, and investments in special education.

MAINTENANCE OF CURRENT PROGRAM

Three of the initiatives appear to be required to maintain current programs:

- **Middle School Magnet Consortium, \$1.2 million, 14.75 FTE.** This program was initiated in FY04 with Federal grant dollars set to expire this year. Without County replacement funding, the program would no longer continue. The three middle schools affected are Argyle MS, Parkland MS, and Loiderman MS.
- **Poolesville HS Whole School Magnet, \$120,960.** This request would extend the current program into Grade 11; without it the currently participating students in Grade 10 would not have access to the next year of the program.
- **IB Diploma Program at Kennedy and Seneca Valley HS, \$79,310.** This request would allow the school system to replace its current Cambridge program at these high schools with its International Baccalaureate program. MCPS emphasizes the need to have only one program in the school system; the funds requested would support the certification process necessary for teachers.

These proposals total \$1,423,204 and 14.75 FTE. If the Committee considers reductions to proposed initiatives, Council staff suggests that, if possible, these funds be considered in the context of other maintenance of services currently in place.

CONTINUATION OF RECENT INITIATIVES

These clearly represent priorities recently endorsed by the Board and Council. However, Council staff suggests that these expansions could be delayed without impact on existing program, if necessary.

- **Middle School Reform, \$3,317,097 and 26 FTE**

- **Expansion of MS magnet courses to other schools, \$744,871 and 1 FTE**

This request would expand the FY08 approved middle school reform initiative to an additional 10 schools. Phase I added five schools to the two pilot sites for a total of seven. The Board amended the Superintendent's request to change the number of schools from 9 to 10. At the Board worksession on this issue, concerns were raised regarding the school system's ability to implement this number of schools at this recommended pace. The request to expand courses from the magnet consortium to other middle schools is part of the overall effort to improve middle school programming.

Council staff notes that the middle school reform initiative has an associated request for technology, including interactive Promethean boards, in the CIP. The Committee may want to coordinate its recommendations for middle school reform in both budgets.

The Committee had extensive discussion of middle school reform during last year's budget and received an extensive update earlier this year. The school system has stated that middle school reform is a key focus to complement recent efforts in elementary and high school.

In addition to the increased resources requested, MCPS is realigning approximately 38 positions and \$4.8 million from existing resources to support the second year efforts. This brings the total increased investment in middle school reform for FY09 to 64 FTE and \$8.1 million. These totals do not include over \$1 million in staff development that will be directed to support the new middle school reform sites.

- **ES Assistant Principals, \$1.1 million and 10 FTE**

This request is to continue the initiative to add assistant principals at all elementary schools. This request would add 10 assistant principals, leaving only 10 elementary schools remaining without the position. Most elementary schools, beginning with the largest ones, have received this position through the previous years of this initiative.

- **Hours-Based Staffing, \$923,102 and 17.75 FTE**

The Committee has discussed this budget initiative, which allocates special education resources according to numbers of hours required rather than enrollment. This request would add three schools, bringing the total to 16.

ADDITIONS TO SUPPORT SPECIFIC STUDENT POPULATIONS

- **Focus Schools, \$573,789 and 6.25 FTE**

This request would increase the number of focus schools by three. The resources provide the additional staffing necessary to implement lower class size ratios in accordance with policies for schools with high levels of students eligible for FARMs.

Currently, there are a total of 63 focus schools, 23 that are eligible for Federal Title I funding and 40 that have been designated focus schools by MCPS. This request would add three schools, resulting in focus school staffing and resource policies for all schools with more than 30 percent of students eligible for FARMs. The three proposed for addition in FY09 are the only remaining schools at this time with FARMs rates above 30 percent; their FARMs rates are 37.81%, 31.87%, and 31.32%. A list of current Title I and focus schools, an explanation of the designations provided to the Board for its discussions, and a list of all schools by current FARMs rate are attached beginning on circle 27.

The increase will be combined with realigned resources drawn from four schools whose FARMs eligibility has been decreasing. The realigned resources total 2 teacher FTE and 6 paraeducator FTE. The schools providing realigned positions will maintain reduced class size but will not retain other resource positions.

FARMs rates fluctuate at least slightly every year based on enrollment of families. As discussed on circle 27, Federal regulations include safeguards to account for slight fluctuations and to prevent schools from frequently entering and exiting the Title I program.

As focus schools are locally defined, they are added or redirected at local discretion, based on funding available, significance of demographic change, and school performance. MCPS has not requested changes in focus school staffing or designation since the inception of the program six years ago. Three new schools opened that met the criteria and were included as focus schools, but there has not been a revaluation of existing schools to date.

- **Class size adjustment for special education students, \$602,187 and 10 FTE**

This request would adjust elementary school staffing by including special education students in general education for the purposes of calculating class size. This adjustment more accurately reflects the significant increase in including special education students in regular education settings. This approach has been strongly recommended by the Special Education Staffing Plan Committee.

- **Support for ESOL students with interrupted education, \$163,711 and 2.6 FTE**
Reduction in ESOL teacher allocation, -\$775,087 and -7.7 FTE

The Committee has already discussed the projected enrollment increase for FY09 in the number of students with limited English proficiency. The budget request includes two changes related to this student group, one requested initiative and a large reduction.

The requested addition would expand the current program Students Engaged in Pathways to Achievement (SEPA) to one additional school and serve 15 additional students. The program was begun as a pilot in FY08, and serves a total of 15 students at Wheaton HS and the Thomas Edison HS of Technology. MCPS indicates that it may use Federal Limited English Proficiency grant funds to augment this program.

MCPS states (circle18) that the budget reduction of 7.7 FTE and \$775,087 will not affected budgeted staffing ratios for ESOL classes. The current ratios are 41:1 ES, 35:1 MS, and 30:1 HS. The reduction consists of 1.5 FTE in elementary schools, 2.3 FTE in middle schools, and 3.9 FTE in high schools. The explanation on circle 18 states that the reduction will affect additional staff allocations that some schools have received related to the Multidisciplinary Educational Training and Support (METS) program.

MCPS states that the METS programming provides separate programming for some ESOL students with greater needs; however, the METS students have been in effect double counted with the regular ESOL staff allocation calculation. This reduction is intended to correct that budget error and not to impact actual programming.

The Committee may want to better understand how these three factors (increasing ESOL enrollment, requested program increase, and the proposed budget reduction) interrelate and what the ultimate net effect will be on ESOL staffing.

OTHER

- **Lunch Hour Aides, \$103,037 and 4 FTE.** The Superintendent had requested \$432,000 and 16 FTE to obtain a 45:1 ratio of students to aides. The Board reduced this request to offset its amendment to further expand middle school reform.
- **ES Guidance Counselors, \$529,092 and 6 FTE.** This request would add five counselors at the largest elementary schools and one ESOL counselor position.
- **Positive Behavioral Interventions and Supports (PBIS), \$173,862.** This request would expand this program to 15 additional schools.
- **Parent Community Coordinators, \$444,491 and 6 FTE.** This request would add 6 coordinators to the current complement of 13.9.
- **Professional Learning Communities Institute, \$88,183 and 1 FTE.** This request would add one instructional specialist to support this program in schools beginning middle school reform.

PROGRAM UPDATES

High School Plus

The Board's request includes funds to continue the phase-in of High School Plus. The total program budget for High School Plus increases by just over \$1 million to \$1.4 million. Most of this increase is realignment of resources from Evening High School, which is being phased out. The inflationary cost increase for the program is estimated to be \$72,000.

Educational Facility Officers (EFO's)

These positions are budgeted in the Police Department. The Council has received testimony raising concerns about the recommended level for FY09. The County Executive's recommendation retains the current level of staffing, one EFO at each high school and one each at two middle schools (Argyle MS and Martin Luther King, Jr. MS). The Executive's recommendation does eliminate one EFO position related to the phasing out of the Mark Twain program.

Food Service

The total recommended expenditure level for Food and Nutrition Services is \$46.8 million, an increase of only \$123,990 over the FY08 level. This division is experiencing cost increases due to salary adjustments, increased enrollment, and increased costs of food and consumables. For FY09, these increases are offset by a \$1.4 million reduction taken to both readjust the level of pre-existing fund balance and contain the cost increases for the coming year. MCPS will increase the price of school meals by \$0.10 per meal for FY09.

II. PROPOSED REDUCTIONS

Each year, MCPS identifies program reductions or other efficiencies to fund other priorities. For FY09, these reductions total \$10.6 million and 70.3 FTE. The Committee may want to briefly review these reductions to both determine whether they are areas for potential further reduction and to understand the impact of the proposed reductions. The full list is attached on circles 20-21, preceded by descriptions of the reductions on circles 13-19. Council staff summarizes only a few highlights below.

Central Services: Reductions in these areas total nearly \$4.4 million of the \$10.6 million total reductions. These are detailed on circles 13-16; highlights include:

- Reduction of 4.5 instructional specialists in the Office of Curriculum and Instructional Programs;
- Reorganization of the Office of the Chief Technology Officer, resulting in elimination of four positions;
- Reduction of two positions in the Office of School Performance;
- Other administrative expense reductions.

Organizational Development: Included in the \$4.4 million central service reduction total is \$1.9 million and 12 FTE in reductions to Organizational Development. These are listed on circle 14 and include reductions in the instructional specialists that support staff development teachers; instructional specialists that support the central office and the program teams; and reductions to stipends.

This is an area which has seen targeted efficiency reductions in recent years. Recent significant reductions include:

FY08 total: \$1.1 million
New teacher induction, \$200,000
Skillful Teacher Project, \$300,000
Other general reductions, \$600,000

FY07 total: \$650,600
Online Learning, \$350,600
Curriculum Training, \$300,000

FY05 total: \$1.2 million
HS Staff Development Teachers, \$256,000
Consulting teachers, \$756,484
Project reductions, \$158,324.

MCPS explains that some of the reductions (particularly in FY05) relate to fine-tuning the initiative in its beginning stages. For example, high schools originally had a higher allocation of FTE per school for staff development teachers.

Council staff notes that the only change to the school-based staff development teacher component was in FY05 as noted. All other adjustments have been made to the level of stipends available, courses or material development, or general reductions. FY09 includes significant staff reductions, but not in the teacher allocation. MCPS has stated that this policy is the core of the program and has clearly protected it from its target reductions. Council staff adds, however, that the policy of the school based staff development teacher in each school is the most expensive aspect of the organizational development program, budgeted at just over \$20 million for FY09.¹

School Based Reductions: School based reductions total \$3.5 million and approximately 27.5 FTE. These are detailed on circles 16-17 and include:

- Reductions to positions (teacher and other) that **support special programs** including elementary programs, middle and high school magnets, and language immersion programs. MCPS states that these reductions will not affect the program implementation in the classroom, but are intended to reflect the fact that these are no longer new programs and can function without the same level of dedicated implementation support.
- **Middle School Computer Lab Assistants:** MCPS explains that this will affect only seven middle schools and that the work in the affected schools can be done by teachers and paraeducators as it is in the other schools.
- The school based reductions include the **ESOL staffing adjustments** discussed above.

¹ These figures do not include benefit costs, but do assume negotiated salary increases.

Mark Twain: A total reduction of \$1 million and 11.75 FTE is related to accelerating the phase-out of the Mark Twain program. The Board recommends that all students will exit this program either through graduation or placement in other programs by June 2009. Anticipated enrollment is approximately 24 students for FY09. This phase-out is related to the Executive's recommendation to eliminate the associated EFO, as noted earlier.

Textbooks: The budget includes a savings of \$791,319 to reflect a lower budgeted cost for textbooks and instructional materials. This reduction is based on budgeting for 3 percent cost increase rather than the anticipated 6 percent cost increase. The 6 percent figure is the fall estimate of the Bureau of Labor Statistics specifically for educational books and supplies. As of the end of February, these costs have increased further, and the BLS now estimates the inflationary index to be 7.7 percent over last year for educational books and supplies.

The reduction will result in fewer purchases for the upcoming year. MCPS took a similar reduction last year, also budgeting half the anticipated cost increase. MCPS clarifies that these reductions are taken from an estimate of the full cost per student each year; thus it is important to understand that the impact of the reduction is year to year and not compounded.

The total budget in FY08 for textbooks was \$10.6 million and for FY09 is budgeted to be \$10.2 million. The total cost of Category 4 for FY09, which consists of both textbooks and other instructional materials, is \$33.7 million.

OPERATIONS AND SUPPORT SERVICE REDUCTIONS

The reductions in the area of the Chief Operating Officer (most non-instructional support programs) includes \$1 million in savings related to energy efficiency steps (lighting technology upgrades and reduced use of air conditioning).

The other primary reductions in this area relate to transportation. The Committee briefly discussed at its first meeting that the overall increase in student transportation reflects both significantly higher costs and reductions to achieve savings, resulting in a lower overall increase than would have otherwise been necessary.

Fuel

The Board's budget request assumes \$2.75 per gallon for diesel fuel. MCPS estimates that every cent increase in the per gallon price of fuel costs the system overall approximately \$33,000. MCPS states that the current price of fuel is \$3.70 per gallon. The FY08 budget is based on \$2.50 per gallon; this difference is a major factor in the increasing deficit in this category during FY08.

County Government has similarly budgeted \$2.76 per gallon for diesel fuel for FY09. As of last October, the Interagency Committee on Energy and Utilities Management (ICEUM) projected a fuel cost of \$2.76 per gallon for diesel for FY09.

Given cost fluctuations it is difficult to accurately predict the average fuel price and expenditure in a given year. In determining whether to adjust the budget for fuel at this time, the question is whether funds are best allocated to reduce a potential deficit in advance or whether any potential shortfall can be managed within the agency in the upcoming fiscal year. The Committee will need to consider consistency with the Council's overall approach to budgeting fuel in other agencies.

Biodiesel pilot

Committee Chair Ervin requested an update on the status and cost of the biodiesel fuel pilot effort. MCPS provided the following information:

The Department of Transportation (DOT) received a \$50,000 grant from the Maryland Energy Administration (MEA) for cleaning the diesel fuel tanks and to cover the price differential between bio-diesel fuel and ultra low sulfur diesel fuel. MCPS took 182 fuel deliveries and 1,344,069 gallons of bio-diesel fuel using the proceeds of the grant. Because of a County deficit and the proceeds of the grant lasting only until the end of March, MCPS switched back to ultra low sulfur diesel fuel deliveries on April 1, 2008. DOT contacted MEA during the third quarter of the current fiscal year to see if the agency could award MCPS a supplemental grant to cover the price differential between the two fuel types for the remainder of the school year. MEA hopes to receive additional funding during April 2008 and will award grants if the agency receives supplementary resources for the program. DOT will continue to purchase ultra low sulfur diesel fuel until additional funding is received from MEA. MCPS has not encountered any known operational difficulties related to the use of the B-5 blend bio fuels.

Bus Replacement

The budget calls for a savings of \$593,789 from delaying the replacement of 45 buses in the next fiscal year. State law requires that regular school buses be replaced every 12 years and "transit style" buses be replaced every 15 years. Regular school buses can be extended to a 15 year replacement with a waiver if approved.

MCPS states that no waivers will be needed to extend the replacement schedule for the 45 identified buses. The chart on circle 39 shows the new and replacement activity for the last 10 years. MCPS works to keep the replacement funding even year to year to avoid large fluctuations and large required expenditures in any given year. As the chart shows, however, the replacement schedule will require significant expenditures in upcoming years. For example, over 120 buses will be over 12 years old in *each* of the years 2011-2014. The numbers then begin to decrease significantly. However, this is another area where reductions result in cost delays more than in savings over time.

Bus Routes

The budget reflects a total reduction of \$301,229 in efficiencies gained by redesigning bus routes. The majority of these savings (\$209,507) are related to the phase-out of the learning centers, which results in more students attending their home schools.

The total requested FY09 program budget for bus operations is \$68.4 million². Regular bus routes for students to their home schools account for less than half of this total. The total budget includes \$32.7 million for regular education and \$35.7 million for special programs. MCPS provided the following breakdown of services provided as part of special programs:

Transportation for Special Programs is for:

- *Students who do not attend their home school and need transportation to attend a special MCPS program*
- *Transportation of a student who would requires special equipment (ex: wheelchair bus with lift) to their home school.*
- *Students who live outside of their home school boundaries and law or policy requires transportation to their home school.*

The special program transportation includes transportation for:

- *Public and Non-public Special Education programs located within and beyond the borders of Montgomery County.*
- *Magnet programs located within Montgomery County.*
- *Alternative programs.*
- *Gifted and Talented programs.*
- *Vocational school programs.*
- *Maryland School of the Blind and Maryland School of the Deaf transportation.*
- *ESOL classes (outside of the student home school).*
- *Homeless and Foster Children who live outside of their home school boundaries and need transportation to their home school including some pick up of students from areas beyond Montgomery County borders.*

Consortium and activity bus transportation is included with the regular transportation of students to their home school.

² These figures do not include benefit costs, but do assume negotiated salary increases.

III. OTHER DISCUSSION ISSUES

COMPENSATION

Consistent with other years, **88 percent of the Board's total request is for salaries and employee benefits, a total amount of \$1,854,063,016.** Increases in employee salaries and benefits, including retirement benefits for current employees and retirees, account for approximately \$112.7 or 89 percent of the requested \$126.2 million increase. This benefit increase includes \$16.1 million in funds to meet the second year phase-in cost of funding the OPEB requirements.

The salary increases have two primary components:

- **General Wage Adjustment** of 5 percent adds a total of \$75.1 million in FY09. This increase includes \$50.5 million for MCEA members, \$18.9 million for SEIU Local 500 members, \$5.1 million for MCAASP members, and \$0.5 million for MCBOA members.
- **Continuing salaries, including steps and longevity**, add a net increase of \$14.2 million. This total includes \$9.4 million for MCEA, \$3.6 million for SEIU, and \$1.2 million for MCAASP. MCPS steps average approximately 3 percent, and range from 1.5 percent at the lowest salary ranges to 3.9 percent in the mid ranges.

The above totals include the associated benefit costs to increase social security and retirement contributions based on salary.

MCPS calculates the salary costs for tax supported funds, and estimates the tax supported cost of 1% increases for both salary adjustment components. **For FY09, MCPS calculates the cost per 1% General Wage Adjustment for tax supported employees to be \$14.3 million, and the cost per 1% increment for tax supported employees not at top of grade to be \$7.7 million.**

Lapse: The Board's request is reduced by \$29.5 million to account for lapse and turnover savings, which reflects approximately 2.1 percent of position dollars. The chart on circle 48 shows budgeted lapse and turnover FY03 to the present.

Although MCPS does not differentiate in the budget between lapse and turnover savings, the savings are predominantly turnover related. MCPS does not tend to leave most positions vacant, which is traditionally what generates a lapse savings. Rather, most positions are filled with substitutes. This results in a savings that is conceptually much closer to turnover; first a vacant position is filled with a much less costly substitute employee and then later with a somewhat less expensive new employee.

OPEB: The Board's budget request includes a total of \$32.2 million, an increase of \$16.1 million for FY09, to continue funding the phase-in cost of Other Post-Employment Benefits (OPEB), for future health and life benefits for retirees.

This contribution was based on the County's policy of a five-year phase-in. The County Executive's recommended budget assumes an eight-year phase-in, and assumes a total contribution from MCPS of \$29.0 million, a \$3.2 million lower contribution than assumed by the Board of Education. As the Council discusses this agency wide policy recommendation, it will need to further understand the FY09 and beyond implications of the Executive's recommendation, and it will need to determine the appropriate OPEB contribution schedule and amount for MCPS consistent with the approach taken across the government agencies.

The Management and Fiscal Policy Committee is scheduled to review compensation for all agencies on April 21.

FEDERAL FUNDING

At its April 8 meeting, the Board of Education discussed recent developments in Federal Title I funding. A memorandum from Superintendent Weast to the Board dated April 8, 2008, is attached at circles 40-42. **It states that due to recent changes in the formula calculation for Title I funding, MCPS anticipates a reduced allocation for FY09, with a preliminary projected reduction of \$2.3 million.**

In anticipation of this reduction, the memorandum indicates that Title I programs will reduce non-school based positions by eliminating one administrative position, seven instructional specialists, and one supporting services position.

This projection is preliminary. MCPS is still receiving information on the Federal allocations from the State, and will continue to update the Board and the Council as revenue projections are available.

CLASS SIZE

Councilmembers and community members have commented on the recent decision in Fairfax County to increase class size by a small number on average across the system. According to the Fairfax County Public Schools' website, the Superintendent's recommendation was to increase class size by 0.5 student across the system at a total savings of \$11 million and 158 positions. The website also indicates that the School Board restored other cuts recommended by the Superintendent but adopted this class size recommendation.

For Montgomery County, MCPS estimates that an increase of one student in the average budgeted class size ratio is equivalent to 175-180 teacher positions. **Council staff estimates that a one student increase would yield approximately \$11.16 million in savings for next year.** This is based on the FY09 salary schedule that shows a \$49,995 salary for teachers at the budget level for a new hire. Estimating benefits at 25% (budget rate for MCEA members) equals a total position cost for a new teacher of approximately \$62,000; 180 positions at this rate equals a total of \$11.16 million. **Council staff emphasizes that these are ballpark estimates of savings, and that the impact would not be a uniform one student added to each class.**

TABLE 1a

FY 2009 BOARD OF EDUCATION REQUESTED OPERATING BUDGET

SUMMARY OF BUDGET CHANGES

(\$ in millions)

ITEM	AMOUNT	ITEM	AMOUNT
CURRENT FY 2008 OPERATING BUDGET (Nov. 2007)	\$ 1,985.0	PROGRAM REDUCTIONS	
ENROLLMENT CHANGES		Central Services Reductions	(4.4)
Elementary/Secondary	1.6	Support Operations Reductions	(2.0)
Special Education	4.5	School Based Reductions	(3.4)
ESOL	1.4	Inflation Adjustments	(0.8)
Transportation/Food Service/Facilities/Plant Ops	1.0	Subtotal	(10.6)
Benefits for Staff	1.6		
Subtotal	10.1		
		INITIATIVES	
NEW SCHOOLS		Elementary Assistant Principals	1.1
Elementary/Secondary/Special Education	(2.5)	Elementary Guidance Counselors	0.5
		Least Restrictive Settings - Elementary Special Education Students	0.6
		Elementary School Lunch Hour Aides	0.1
		Elementary Focus Schools	0.6
		Middle School Reform	3.3
		Middle School Magnet Consortium Schools	1.2
		Expansion of Middle School Magnet Consortium	0.8
		Special Education Hours-Based Staffing for Middle Schools	0.9
		Poolesville High School Whole School Magnet & Extended Day	0.1
		Other High School Improvements	0.2
		Parent Community Coordinators	0.4
		Other Improvements	0.4
		Subtotal	10.2
EMPLOYEE BENEFITS AND INSURANCE		OTHER	
Employee Benefit Plan (active)	6.7	Retiree Health Trust Fund	16.1
Employee Benefit Plan (retired)	1.0		
Retirement	(0.8)		
Tuition Reimbursement	0.9		
FICA/Self-insurance/Workers' Compensation	(0.5)		
Subtotal	7.3	RECOMMENDED FY 2009 BUDGET	\$ 2,111.2
		Less enterprise funds	(54.8)
		Less grants	(78.3)
INFLATION AND OTHER		SPENDING AFFORDABILITY BUDGET	\$ 1,978.1
Utilities	0.1		
Special Education Including Non-public Tuition	3.1		
Transportation	1.7		
Facilities/Plant Operations/Maintenance	0.2	REVENUE INCREASE BY SOURCE	
Inflation	1.7	Local	116.2
Technology	0.4	State	10.1
Food Service	(1.4)	Federal	(0.7)
Other	0.6	Enterprise	0.4
Subtotal	6.4	Other	0.2
		TOTAL REVENUE INCREASE	\$ 126.2

FY 2009 OPERATING BUDGET INITIATIVES

ITEM	FTE	AMOUNT
Elementary Schools:		
Count LRE A Special Education Students in General Education		
Enrollment at the Elementary School Level	10.00	602,187
Lunch Hour Aides	4.00	103,037
Elementary Assistant Principals	10.00	1,078,880
Increase Number of Focus Schools	6.25	573,789
Guidance Counselors	6.00	529,092
Subtotal	36.25	\$ 2,886,985
Middle Schools:		
Middle School Magnet Consortium	14.75	1,222,934
Middle School Reform - Expand to 10 Additional Schools	26.00	3,317,097
Expansion of MSMC Courses to Other Middle Schools	1.00	744,871
Hours-Based Staffing for Special Education at 3 Additional Middle Schools	17.75	923,102
Subtotal	59.50	\$ 6,208,004
High Schools:		
Support for ESOL Students with Interrupted Education	2.60	163,711
Poolesville HS-Whole School Magnet & Extended Day - Phase in Grade 11		120,960
IB Diploma Program at Kennedy & Seneca Valley High Schools		79,310
	2.60	\$ 363,981
Other:		
Positive Beh. Interventions & Supports (PBIS) - Expand to 15 more schools		173,862
Parent Community Coordinators	6.00	444,491
Professional Learning Communities Institute	1.00	88,183
Subtotal	7.00	\$ 706,536
TOTAL	105.35	\$ 10,165,506

Montgomery County Public Schools

FY 2009 OPERATING BUDGET

Initiatives for Academic Achievement

The Montgomery County Public Schools (MCPS) FY 2009 Operating Budget includes \$10,165,506, including 114.75 positions, for new or expanded program initiatives to improve academic achievement for all students. These initiatives implement goals and strategies of the MCPS strategic plan: *Our Call to Action: Pursuit of Excellence*, most recently approved by the Board of Education in July 2007. Each of the new or expanded initiatives will provide direct support for school improvement. Fiscal constraints make it impossible to begin other programs that could advance strategic plan goals at this time. Below are details of the FY 2009 initiatives.

Improving Middle Schools

The FY 2009 Operating Budget includes expansion of the middle school reform initiative that began in FY 2008 at a cost of \$2,988,126 for nine new schools. The budget also includes \$1,222,934 to continue programs in the Middle School Magnet Consortium, the three-year federal grant that will terminate in FY 2008 and needs to continue with local funding in FY 2009. In addition, the middle school reform initiative includes an additional \$744,871 to expand offerings in the Middle School Magnet Consortium to other middle schools. (See a separate fact sheet for further detail of Middle School Reform.)

Middle School Reform

The FY 2009 budget will continue the expansion of a comprehensive middle school reform strategy to improve teaching and learning in middle schools. The goal is to engage all students in challenging and exciting academic programs taught by teachers expert in content fields and knowledgeable about how to engage middle school children.

- Eleven of the 38 middle schools did not make Adequate Yearly progress (AYP) in 2007.
- A significant number of middle school students are not performing at expected levels and a significant achievement gap remains for African American and Hispanic students.
- Comprehensive reform efforts have made a significant difference in raising the bar and reducing the achievement gap in elementary schools. The new program directs resources to achieve comparable gains in middle schools.
- This program was launched in five middle schools in FY 2008 and will expand to an additional nine schools in FY 2009.

- The initiative includes strengthening of leadership and professional development by adding literacy coaches, math content specialists, and team leaders, both through new resources and redirecting existing resources.
- The initiative includes training for leadership teams through the Professional Learning Communities Institute and additional time for training and collaboration among cohorts of teachers and support professionals during the initial years of the initiative in a school.
- The middle school initiative also adds targeted interventions to help students who need extra support, including Read 180, technology, extended-day and extended-year programs, and outreach to parents.
- The initiative adds \$2,988,126, including 23.4 positions, and realigns \$3.6 million of existing resources

Middle School Magnet Consortium

In FY 2004, MCPS received a major \$7.2 million federal grant to reduce socio-economic isolation and improve student achievement in three middle schools: Argyle, Parkland, and A. Mario Loiederman. This program has improved student achievement at the schools, and made possible development of an accelerated core curriculum around school themes: Information Technology at Argyle, Aerospace Technology at Parkland, and Creative and Performing Arts at A. Mario Loiederman. Initial evaluation data indicates significant improvement in student achievement and high satisfaction among students and parents.

- The grant comes to an end this year. Additional federal funds have been requested, but if that effort does not succeed, local support will be needed to continue these valuable programs.
- This initiative totals \$1,222,934. It would continue a magnet coordinator at each school (3.0 FTE), 0.25 secretarial support, and \$700,000 for 11.5 teacher positions to permit teachers being scheduled to teach five out of eight periods to provide additional time for training and cohort collaboration of teachers and other staff. This is not a permanent feature of the program and its continuation is dependent on federal funding.
- Students currently electing one of the consortium schools from three adjacent cluster areas will continue to receive transportation, but all new students electing to attend a consortium school from outside the school attendance area will provide their own transportation.

Expansion of MSMC to Other Middle Schools

The Middle School Magnet Consortium federal grant has provided an opportunity to develop new course offerings that are successfully engaging students in creative learning. These successful programs will be expanded to other middle schools beginning with schools in the middle school reform program. The initiative includes a 1.0 coordinator (\$144,871) and \$600,000, including new technology, materials, and other improvements.

Special Education

Middle school reform also addresses the needs of special education students in middle schools, which are discussed below.

Elementary Schools

The Early Success Performance Program has achieved remarkable success, with improved academic achievement at elementary schools. The achievement gap between groups has largely been eliminated in kindergarten, and considerable progress has been made in other elementary grades. The FY 2009 budget will continue to strengthen elementary school programs, with additional support targeted to students who need the most help.

Elementary School Assistant Principals

Over the past two years, 30 additional elementary schools have received assistant principals as part of a multiyear commitment by the Board of Education to have an assistant principal at each elementary school. An additional 20 assistant principals are needed to complete the initiative. Assistant principals enable the principal to focus on instructional leadership, have increased time with teachers and students, build relationships with parents, and contribute to a safe and secure educational environment for student success. The FY 2009 budget includes 10 additional elementary assistant principals at a cost of \$1,078,880 to advance this multiyear initiative.

Counselors

Elementary school students need more effective counseling, especially students impacted by poverty and family crisis. Elementary schools now have one guidance counselor each, and that is not enough support for students in large schools. This initiative adds 5.0 counselors at the seven largest elementary schools. The three largest schools with more than 800 students will have 2.0 counselors and four schools with more than 675 students will have 1.5 counselors. The initiative also adds a 1.0 ESOL counselor position. The total cost is \$529,092.

Special Education

As more special education students are successfully included in the general education classroom, there is a danger that class size will become too large, especially in the core curriculum areas. Although special education students who receive services in separate classes have not been counted in general education enrollment, staffing allocations have already changed to provide additional support to general education classes with large numbers of Least Restrictive Environment (LRE) A special education students. Special education teachers or paraeducators work closely with the special education students as they benefit from the content expertise of the general education teacher.

This initiative will count all LRE A special education students in elementary school general education classes and add 10.0 general education teacher positions at a cost of \$602,187 to ensure that class size guidelines in elementary school are not exceeded because of the number of LRE A special education students in general education classes. This change was strongly recommended by the Special Education Staffing Plan Committee.

Focus School Support

Focus schools are those elementary schools most impacted by poverty. Six years ago, specific schools were identified for special support, based on those that exceeded the district-wide median in students eligible for Free and Reduced-price Meals System (FARMS) assistance. There are now 62 focus schools that have lower class size in kindergarten and grades 1 and 2, and receive other special staffing support.

Since the program began, the demographic characteristics of some schools have changed significantly, with some schools having greater levels of poverty and other schools with lower levels of poverty. This initiative expands focus school support, including class size reduction, to three additional schools that have experienced the greatest increase in poverty. These schools now have more than 30 percent of their students eligible for FARMS. Four other schools that have had their FARMS eligibility drop well below the MCPS median FARMS rate for elementary schools will continue to enjoy lower class size, but will not have other focus support of a 0.5 teacher position and an average of 1.25 paraeducator positions that will be realigned to schools with greater needs. The initiative will add a net increase of 6.25 positions at a cost of \$573,789.

Lunch Hour Aides

A safe school environment requires that sufficient recess coverage is available on school playgrounds. Some schools do not have sufficient coverage, either because of the number of students at recess at a particular time or because of physical obstacles that make it more difficult to see parts of the playground area. Safety concerns require an increase in the number of lunch hour aides available for recess duty. This initiative would get to a 45:1 ratio of students to lunch hour aides. It would add 16.0 lunch hour aide positions at a cost of \$432,008.

Enhancing High Schools

For the fourth year in a row, Newsweek magazine has ranked each of MCPS' eligible high schools in the top 3 percent in the nation, with 5 schools in the top 100 nationally. MCPS students have earned millions of dollars in scholarships to nationally ranked colleges and universities. Nevertheless, many high school students need extra support to succeed, pass state-required HSA exams, and receive their diplomas. The FY 2009 budget includes initiatives targeted at students who need the most help.

Students Engaged in Pathways to Achievement (SEPA)

Some students entered MCPS with seriously limited or interrupted education in their homelands, torn by violence and poverty. Many of these students are English language learners, but not literate in their native language. The Montgomery County Latino Education Coalition recommended help for these students as their top priority. In FY 2008, a pilot program to assist these students was begun at Wheaton High School and the Thomas Edison High School of Technology. It is designed for 17-18 year-old students with limited or no formal education. The program serves 15 students, including innovative curriculum, instructional practices, and parent involvement. This initiative would add 2.6 teacher positions at a cost of \$163,711, to expand the program to an additional school for 15 additional students. Funds also would support curriculum development and professional development of staff. Additional resources will be made available through Title III, the Limited English Proficiency federal grant. Evaluation of the SEPA program has begun this year.

Poolesville High School Magnet

The FY 2009 budget expands the innovative Poolesville High School magnet program to grade 11. The program serves highly able students in the upcounty area and began with the creation of the Roberto Clemente Middle School program. The program includes special themes of Global Ecology, Humanities and Science, and Mathematics and Computer Science. The initiative adds \$120,960 in FY 2009 for part-time professional salaries and stipends for the extended-day model.

International Baccalaureate Program

The International Baccalaureate (IB) program has improved instructional acceleration in high schools by offering students the most rigorous curriculum. This initiative at a cost of \$79,310 allows John F. Kennedy and Seneca Valley high schools to transition from the alternative Cambridge program to the more widely supported IB program.

Addressing the Needs of Special Populations

Special Education

Two years ago, MCPS began the hours-based staffing initiative to improve staffing at secondary schools, with a priority for schools that were not making Adequate Yearly Progress (AYP) for special education students.

- Under this program, additional staffing is allocated to schools based on the hours of service provide to students with disabilities.

- After beginning the first year with two schools and expanding to 11 additional middle schools in FY 2008, the program will expand to another 3 middle schools in FY 2009.
- The initial two schools successfully reached their annual outcome targets in FY 2007 for the special education subgroup.
- This initiative will add 9.0 additional special education teachers and 8.75 paraeducators at a cost of \$923,102.

School Support

Other improvements support academic achievement at all schools.

Positive Behavior Interventions and Supports (PBIS)

PBIS is a framework for establishing a positive school climate through clearly taught and consistently implemented behavioral expectations that lead to a reduction in discipline referrals and suspensions. It addresses the problem of disproportionate suspension rates of African American and Hispanic students and the disproportionate referrals for special education services. Training of school staffs is conducted by the Maryland State Department of Education. This initiative at a cost of \$173,862 supports training for staff at an additional 15 schools and follow-up training for staff at the existing 33 schools included in the program. Funding also will provide instructional materials and supplies, and required site license fees for data collection and analysis.

Parent Community Outreach Coordinators

School success requires active parent involvement in their child's education. Parent community coordinators engage families in supporting their children's education at home, provide parents with specific knowledge about the school system, promote positive relationships between teachers and parents, and coordinate volunteer and community programs directly linked to student learning. Currently, there are only 13.9 parent community coordinators, so many schools have limited access to these services. This initiative would add 6.0 centrally allocated school-based parent community coordinators at a cost of \$444,491. Each coordinator will serve 3 to 4 schools and be available at each school at least one day per week to maintain ongoing contact with staff and parents. School assignments will be coordinated with other parent community coordinators to reach schools with the greatest needs. Many of the new parent community coordinators are expected to be bilingual. The program will be carefully evaluated to identify strategies that have the greatest impact on student achievement results.

Professional Learning Communities Institute

The PLCI provides comprehensive professional development for leadership teams, including administrators, teachers, support professionals, and parents at 16 elementary schools and five middle schools. PLCI leadership teams gain knowledge and master skills that help them to create a professional learning community culture that can lead to improved student achievement. PLCI is an integral part of middle school reform. The demand for additional participation requires the addition of capacity through a 1.0 instructional specialist position at a cost of \$88,183.

Montgomery County Public Schools

FY 2009 OPERATING BUDGET

Middle School Reform

The FY 2009 Operating Budget includes expansion of the middle school reform initiative that began in FY 2008. In FY 2009, nine additional schools still to be identified will be added to the reform initiative, in addition to the five schools included in phase I (Benjamin Banneker, Roberto Clemente, Montgomery Village, Sligo, and Earle B. Wood middle schools). These nine schools will receive the same reform components as the original schools. The total cost of the reform initiative is \$2,988,126 for the nine new schools. An additional \$1,222,934 is required to continue programs in the Middle School Magnet Consortium, the three-year federal grant that will terminate in FY 2008 and needs to continue with local funding in FY 2009. In addition, \$744,871 is required to expand offerings in the Middle School Magnet Consortium to other middle schools.

Background

The *No Child Left Behind Act* and state laws have increased accountability for student performance in middle schools.

- In 2007, 11 of the 38 middle schools (29 percent) did not make Adequate Yearly Progress (AYP). Although this is an improvement from 2006, when 55 percent failed to make AYP, significant improvement is required in middle schools.
- In 2007, of the 16 middle schools identified for school improvement status, 9 made AYP and will exit school improvement status if they continue progress in 2008.
- The MCPS strategic plan *Our Call to Action: Pursuit of Excellence*, identified the needed steps to improve rigor and student achievement in middle school for all students.
- Middle schools have benefited from extended-day/extended-year programs in all middle schools and from new reading assessments and reading interventions. However, staff has lacked sufficient capacity to develop a comprehensive strategy to engage students in the middle years.

Reform Elements

The Middle School Reform Initiative has the goal of developing staff capacity to engage students creatively in the learning process to improve student achievement for all students. The strategy includes the following elements:

- Leadership and Professional Development
- Curriculum, Instruction, and Assessment
- Extended Learning Opportunities
- Technology

- Organizational Structure
- Human Resources
- Parent and Community Engagement

As with the successful Early Success Performance Plan, success in the middle school reform initiative depends on the combination of all these elements targeted to improve student achievement.

Continued Initiatives

The nine new schools will receive a total of 23.4 new positions and a total amount of \$2,988,126. There also are 34.2 positions realigned within middle schools for a total of 57.6 positions and \$7.3 million to support the reform initiatives. Components of the middle school reform initiative include the following:

- Curriculum development and staff development of leadership teams through the Professional Learning Communities Institute is included in the budget of the Office of Organizational Development (OOD) at a cost of \$1,016,112 and is not included in the above totals. The OOD budget also includes an initiative to expand the PLCI by a 1.0 instructional specialist position at a cost of \$88,183 to expand training capacity to include all the new middle schools in the reform program.
- Addition of 7.2 literacy coaches (\$488,425)
- Addition of 5.4 math content specialists (\$336,722)
- Realignment of 9.0 other content specialists (\$1,007,920)
- Addition of 9.0 grade level team leaders (\$591,478) and realignment of 3.6 other positions as grade level team leaders
- Additional time for training and collaboration among cohorts of teachers and support professionals (\$1,292,863), which is required to begin the initiative, but is not a permanent feature of the plan
- Materials for curriculum development and reading interventions (\$88,700)
- Study Circles training for parent involvement (\$26,503)
- Extended learning opportunities coordination, including 1.8 positions (\$107,318)
- Transportation costs for extended-day programs (\$56,117)

Middle School Magnet Consortium

The Middle School Magnet Consortium (MSMC) initiative totals \$1,222,934, including 14.75 positions. MCPS received a major three-year federal grant totaling \$7.2 million to launch the consortium, including innovative school themes. The MSMC includes Argyle Middle School (Information Technology), Parkland Middle School (Aerospace Technology), and A. Mario Loiederman Middle School (Creative and Performing Arts). Initial evaluation data shows significant improvement in student achievement and a high degree of satisfaction at each of the schools. Successful elements of the MSMC program will be expanded to other middle schools as part of middle school reform. Although the grant ends in FY 2008, additional federal funds have been requested. If these funds are

not received, certain elements of the program can continue at the three schools in FY 2009.

- The initiative includes continuation of 3.0 magnet coordinator positions to support the theme programs and provide curriculum and other instructional leadership support at each school and a 0.25 secretary for administrative support at a total cost of \$522,934.
- The initiative also includes 11.5 teacher positions at a cost of \$700,000 to allow the continuation of teachers being scheduled to teach five out of eight periods which provides additional time for training and cohort collaboration. This component is dependent on additional federal funding and will not be a permanent feature of the program.
- Transportation for students already in the program from the three adjacent clusters will continue, but new students who elect the consortium program will provide their own transportation from outside the attendance zones of the three consortium schools.

Expansion of MSMC Magnet to Other Middle Schools

Addition of a 1.0 coordinator (\$144,871) and \$600,000 to expand the innovative pathways programs for accelerated instruction originated as part of the Middle School Magnet Consortium into all middle school reform schools. This will include additional instructional technology resources and other improvements.

Other Middle School Improvements

In addition to the middle school reform initiative and the middle school magnet consortium, the FY 2009 operating budget includes other initiatives that will benefit middle schools:

- Hours-based Staffing for Special Education – Expansion of hours-based staffing to three additional middle schools facing a challenge to help special education students meet achievement expectations, for a total of 16 middle schools with hours-based staffing
- Positive Behavioral and Instructional Supports (PBIS) – Support for the state-operated training program to improve student behavior and achievement, which will include new middle schools
- Parent Community Coordinators – The addition of 6.0 parent community coordinators will benefit additional middle schools.

Montgomery County Public Schools

FY 2009 OPERATING BUDGET

Program Reductions and Efficiencies

Each year, the Montgomery County Public Schools (MCPS) undertakes a comprehensive effort to identify potential program reductions and efficiencies. This is called the Program Efficiency, Abandonment, and Redirection (PEAR) process. For FY 2009, the Operating Budget includes \$10.6 million of reductions and efficiencies that make resources available for new programs and higher priority uses. Below are details of the FY 2009 reductions.

- Every office receives a target of potential reductions and realignments at the beginning of the budget development process. These proposals are carefully assessed to minimize the impact on the classroom.
- Zero-based budgeting is used to review and justify all expenditures and identify opportunities for reductions.
- Since FY 2001, the budget has included reductions of \$64.5 million from the base budget, making possible funding for higher priority initiatives.
- MCPS has central administrative costs of 2 percent of the total budget, one of the lowest percentages in the state. Based on the most recent state data, if MCPS were at the state average, central administrative costs would be at least \$9 million higher.
- More than 40 percent of these reductions come from central services functions (\$4.3 million).
- A total of \$2.0 million comes from support operations, \$3.5 million is reduced from school-based resources, and \$0.8 million comes from inflationary adjustments.
- In addition, there are administrative savings of \$4.8 million from rebidding employee health and life insurance contracts as part of a cooperative program with other county agencies.

Central Services

For FY 2009, central services reductions total \$4,367,462. Following is a summary of the central services reductions:

Office of Curriculum and Instructional Programs

- Reduction of 4.5 instructional specialist and supervisory positions at a savings of \$449,345, including a 1.0 instructional specialist in the High School, Instruction and Achievement Unit, a 1.0 instructional specialist position in the Division of Early Childhood Services, a 1.0 coordinator in the Department of Curriculum and

Instruction, a 1.0 supervisor of assessment coordination, and a 0.5 instructional specialist in the Division of Accelerated and Enriched Instruction. These reductions necessitate a restructuring of work assignments to permit completion of required curriculum and assessment projects.

- Reduction of a total of \$225,381 in a variety of central office units, including professional part-time salaries, instructional materials, office supplies, and contractual services

Office of Organizational Development

- Reduction of 7.0 instructional specialist positions at a savings of \$658,112 in the Staff Development Specialist Team. These positions provide support to staff development teachers. The reduction maintains 6.0 staff development specialists. The role of the staff development teacher is crucial to the job-embedded staff development program and it has become sufficiently mature to no longer need the same level of support as when the program was in its early stages.
- Reduction of 5.0 other instructional specialist positions at a savings of \$470,080, including 1.0 position in the central Office of Organizational Development, 1.0 position in the New Teacher Induction team, a 1.0 position on the Curriculum Training and Development team, and 2.0 positions on the Technology Consulting Team. There will be a restructuring of work assignments to ensure that planned professional development projects are completed on schedule.
- Reductions of \$257,038 in stipends for elementary school curriculum training resulting from a simplification of the training model, \$133,132 in stipends from a change in the technology consulting training model, \$100,000 from reductions in the Studying Skillful Teaching program, \$200,000 in stipends for other curriculum training, and \$100,000 from elimination of the use of outside vendors to develop content for the Online Learning program.

Office of the Chief Technology Officer

- Reorganization of the Office of the Chief Technology Officer will compress the management structure of the office flatter with more units reporting directly to the chief technology officer. This management change results in the elimination of a 1.0 executive director position at a savings of \$162,214, a 1.0 director II position in the Department of Student and Business Technologies at a savings of \$161,672, and 2.0 other positions, including an administrative secretary and an administrative services manager at a savings of \$163,914, for a total savings of \$487,800.
- Migration of central applications from the mainframe to the client server system has led to a reduction of \$159,596 from mainframe hardware and software maintenance and \$96,335 in contractual maintenance.

- There is a total of \$310,893 in savings and efficiencies due to a variety of reductions in contractual services, consultants, training costs, hardware, software, supplies, and local travel.

Office of Human Resources

- There is a savings of \$152,643 in tuition payments and administrative expenses for partnership programs with local universities to provide new teachers in shortage areas, including special education, mathematics, and science.
- There are other savings totaling \$36,000 in advertising, health services, part-time expenditures, and recruitment travel costs.

Office of School Performance

There is a reduction of 2.0 central office positions, at a savings of \$282,807, including a 1.0 coordinator and a 1.0 instructional specialist. Their duties will be absorbed by other office staff.

Department of Communications

There is a reduction of \$100,000, in a variety of office functions, including \$63,200 in printing supplies, \$20,800 in the use of temporary part-time employees, and \$16,000 in contractual services and other office expenditures.

Department of Shared Accountability

There is a reduction of \$6,300 in office supplies.

Support Services Reductions

Efficiencies in the provision of support services, total \$1,983,468, including the following:

Office of the Chief Operating Officer

- Savings of \$593,789 from not replacing 45 buses earlier than required by state law as part of the multiyear replacement plan. No state waivers will be necessary to continue using these buses.
- Savings of \$301,229 through efficiencies in bus route assignments, including a reduction of special routes due to more special education students attending home schools.
- Savings in utility consumption due to systemwide lighting technology upgrades of \$750,000 and restrictions on air conditioning usage during peak load periods of \$250,000.

- There is a reduction of a 1.0 security monitor position at the Carver Educational Services Center of \$78,450.

Office of Curriculum and Instructional Programs

- Reduction of \$10,000 of food services and rental costs for the Outdoor Education program

School-based Reductions

School-based reductions are minimized to avoid a negative impact on classroom instruction. The total of \$3,488,982 comprises only 0.2 percent of school-based services. Since school-based services comprise 75 percent of the MCPS operating budget, it is impossible to shelter schools completely from the need to make reductions. The reductions listed below were considered only after a thorough review of all non-school based expenditures.

K-12 Instruction

These reductions include 19.3 positions at a savings of \$1,042,337 that provide extra support to schools for special programs. They include the following:

Elementary Special Program Teachers – 2.7 FTE - \$164,457

A total of 30 teacher-level positions are allocated to schools to support special programs. These positions are allocated in addition to classroom teachers. They support a variety of programs including computer science and foreign language instruction and Baldrige implementation. Many of these positions were allocated to help initiate a program. Once programs are established and implementation is underway the amount of time needed to implement decreases. As a result the same level of support is not required. The decrease of a total of 2.7 out of 30 positions will not have an impact on the effectiveness of these programs.

Language Immersion Positions – 2.0 FTE - \$121,820

There are currently seven language immersion programs in elementary schools and five in middle schools. For each of these programs additional positions were allocated to provide support to the program. This support included coordination of the program, implementation of the program, as well as interpreting of materials. Over time central services has taken on the responsibility of interpreting materials for the programs. As a result, programs do not need the same school-based support. In addition, once programs are established and implementation is underway the amount of time needed to implement decreases. The decrease of a total of 2.0 positions for the 12 schools will not have an impact on the effectiveness of these programs.

Middle School Computer Lab Assistants – 5.0 FTE - \$210,000

Currently 7 of the 38 middle schools have computer lab assistants for a total of 5.0 FTE positions. The individual school allocations range from .25 (2 hours per day) to 1.0 (8

hours per day). All middle schools have computer labs. The computer lab assistant is a position that most schools have given up over time. The work of supporting students in computer labs can be performed by teachers and paraeducators as is done in 31 middle schools. In addition, when computer lab assistants were added, there were no full-time information technology systems specialists. Now all middle schools have full-time information technology system specialists. As a result of these changes, the elimination of these 5.0 FTEs will not impact school programs.

Reduce Additional Release Periods in Middle School Special Programs – 4.3 FTE - \$180,600

When the middle school magnet programs were established, there was a need to provide release periods to all teachers in the program to allow time for curriculum and program development. This meant that each of these teachers taught one less class than the other teachers in the school. Since the magnet curriculum is different from the county curriculum, it was necessary to provide teachers time to do the work of developing curriculum and other program materials. Now that programs are implemented and underway it is no longer necessary to provide every teacher with release periods. However, some release periods will still be needed as programs change and curriculum evolves. In addition, curriculum and program planning will occur after school and during the summer through stipends. As a result, the number of positions budgeted for release periods can be reduced by 4.3, from 8.6 to 4.3 positions. Guidelines will be developed by the Department of Enriched and Innovative Programs to identify when release periods should be allocated.

Reduce Additional Allocations for High School Special Programs – 6.0 FTE - \$365,460

When the high school magnet programs were established, there was a need to provide release periods to teachers in the program to allow time for curriculum and program planning. Also, each year Poolesville High School received five additional positions to allow for scheduling in a small school. In addition, supplementary staffing was provided to the IB magnet programs to allow for smaller classes in some areas. Because the program was in the building phase some classes that were required for the IB program needed to be offered even though there was low enrollment. Now that programs are implemented and underway it is no longer necessary to provide as many teachers with release periods and there is not a need to run as many small classes in the IB program. With the addition of its magnet program, Poolesville High School will no longer require five additional staff to allow for small-school scheduling. Release periods will still be needed as programs change and curriculum evolves. In addition, curriculum and program planning will occur after school and during the summer through stipends. As a result, the number of positions budgeted for the Montgomery Blair High School magnet program, the Richard Montgomery High School IB program, and Poolesville High School will be reduced by 6.0, from 12.0 to 6.0 positions. Some classes with low enrollment will continue to be supported to meet IB requirements.

Office of Curriculum and Instructional Programs

- Reduction of 7.7 ESOL teacher positions at a savings \$775,087. Schools with English for Speakers of Other Languages (ESOL) students receive a ratio-driven staffing allocation based on projected ESOL enrollment. The ratios used for budgetary purposes are 41:1, 35:1, and 30:1 at the elementary, middle, and high school levels respectively. Because ESOL teachers have several sections daily, ESOL class sizes are considerably smaller, usually 10-15 students each. Schools that also have Multidisciplinary Education Training and Support (METS) program for ESOL students with interrupted education received an additional 1.0 teacher for each METS class at the elementary and middle school levels, and a .5 teacher at the high school level. Program revisions made over the past four years to strengthen the rigorous standards-driven curriculum make this additional allocation unnecessary. Each METS student will be counted as an additional .4 for staffing purposes to provide equitable staffing based on need. This change maintains current budgeted staffing ratios for all ESOL classes. Reductions include 1.5 FTEs in elementary schools, 2.3 FTEs in middle schools, and 3.9 FTEs in high schools.
- Reduction in the Division of Early Childhood Services of a 0.5 paraeducator position at a savings of \$16,092 formerly required for a grant match and other savings in substitute and food costs totaling \$78,287, for a total savings of \$94,379.
- Reduction of \$350,000 for part-time salaries for the Middle School Extended Day/Extended Year program based on enrollment projections.
- Reduction of \$60,000 for instructional materials and equipment for the middle school and high school career and technology education program.
- Reduction of non-position salaries, instructional materials, equipment, and other costs totaling \$109,250 for the Northeast Consortium program.
- Reduction of \$17,750 in substitute costs and instructional materials for the Downcounty Consortium.
- Reduction of \$44,000 for supporting services part-time salaries for the Department of Accelerated and Enriched Instruction.

Office of Special Education and Student Services

Mark Twain phase out - 11.75 FTE - \$1,032,179

The original timeline for the phase out of the Mark Twain program has been accelerated so that all students will exit the program either through graduation or through placement in other programs by June 2009. The acceleration of the phase out is in response to the failure of the Mark Twain program to make Adequate Yearly Progress (AYP) for three sequential years, the failure to make AYP in the Corrective Action phase of school improvement, and its current identification for the Restructuring Planning phase of school improvement for the 2007-2008 school year. Anticipated enrollment will be reduced to approximately 24 students in FY 2009. This will result in a reduction of 11.75 FTEs and \$1,032,179.

Inflationary Adjustment

Reducing the assumption for inflation in textbooks and instructional materials from 6 to 3 percent - \$791,319

Employee Benefit Cost Savings

In addition, there are administrative savings of \$4.8 million from rebidding employee health and life insurance contracts as part of a cooperative program with other county agencies.

One-time Reductions

In addition to program changes noted above, the operating budget is reduced because of several one-time expenditures that end in FY 2008. There is a reduction of \$892,000 related to one-time start-up costs for the Financial Management System (FMS), and \$448,000 to reflect purchase of floor burnishers for the Division of School Plant Operations. There also is a reduction of \$98,000 out of a total of \$150,000 approved for FY 2008 for evaluation activities as part of the Kennedy Cluster project.

Realignments

In addition to these reductions, millions of dollars have been realigned to higher priorities. These realignments are discussed in detail in each relevant unit in the Operating Budget.

**FY 2009 OPERATING BUDGET
PROGRAM REDUCTIONS AND EFFICIENCIES**

ITEM	FTE	AMOUNT
Office of Curriculum and Instructional Programs:		
Reduce Allocation of ESOL Teachers	7.700	\$ 775,087
Reduce Inflation Rate for Textbooks and Materials from 6 to 3 Percent		51,351
Reduce Vacant Early Childhood and Head Start Positions and Other Items	0.540	94,379
Reduce Contractual Food Service and Rental Fees for Outdoor Education		10,000
Reduce Part-time Salaries - Middle School Extended Day/Extended Year Program		350,000
Reduce Various Items - Accelerated and Enriched Instruction		44,000
Reduce Materials and Equipment Funds - Career/Technology Education		60,000
Reduce Various Items - Department of Enriched and Innovative Programs		135,000
Reduce Part-time Salaries for School Library Media Program		44,000
Reduce Budget for Curriculum Guides and Assessments		50,000
Reduce Part-time Salaries, Supplies and Contractual Services		131,381
Reduce Instructional Specialist, Supervisor, Coordinator Positions	4.500	449,345
Subtotal	12.740	\$ 2,194,543
Office of Special Education and Student Services:		
Phase In Closing of Mark Twain Program	11.750	\$ 1,032,179
Reduce Inflation Rate for Textbooks and Materials from 6 to 3 Percent		68,061
Subtotal	11.750	\$ 1,100,240
Office of Organizational Development:		
Eliminate Contractual Services for Online Learning Program		\$ 100,000
Reduce Skillful Teacher Project		100,000
Change Department of Technology Consulting Training Model		133,132
Change Elementary Curriculum Training Model		257,038
Reduce Curriculum Training Project		200,000
Reduce 7.0 Staff Development Specialists & 5.0 Instructional Specialists	12.000	1,128,192
Subtotal	12.000	\$ 1,918,362
Office of the Chief Technology Officer:		
Eliminate Director II & Reduce Other Costs - Dept. of Student & Business Technologies	1.000	\$ 226,059
Reduce Contractual Svcs. for Discontinued Mainframe - Division of Student Data Mgt.		96,335
Reduce Mainframe Hardware/Software Maintenance/Licensing Costs		159,596
Reduce FMS & Fortis Consulting Services - Division of Business Systems		86,072
Reduce Part-time Salaries - Division of Technology Management and Planning		14,700
Reduce Supplies in Telecommunications Unit		71,266
Reduce Contractual Services, Materials, Other Costs - Division of Technology Support		74,468
Eliminate Other Positions From Office Restructuring	3.000	326,128
Subtotal	4.000	\$ 1,054,624

**FY 2009 OPERATING BUDGET
PROGRAM REDUCTIONS AND EFFICIENCIES**

ITEM	FTE	AMOUNT
Office of the Chief Operating Officer:		
Reduce Transportation Costs by Modifying Bus Routes	2.000	91,722
Modify Bus Routes from Changes in Secondary Learning Centers Program	4.820	209,507
Defer Replacement of 45 Buses		593,789
Save Energy from Systemwide Lighting Technology Upgrades		750,000
Restrict Air-Conditioning During Peak Load Hours		250,000
Eliminate CESC Security Monitor Position	1.000	78,450
Subtotal	7.820	\$ 1,973,468
Office of Human Resources:		
Reduce Budget for Advertising, Health Services, Part-time Salaries, Recruitment Travel		\$ 36,000
Reduce Tuition for Lower Enrollment - University Partnerships		152,643
Subtotal	0.000	\$ 188,643
K-12 Instruction/Office of School Performance:		
Reduce Elementary Special Program Teachers	2.7	164,457
Reduce Positions for Immersion and Other Programs	2.0	121,820
Reduce Middle School Computer Lab Assistants	5.0	210,000
Reduce Additional Release Periods in Middle School Special Programs	4.3	180,600
Reduce Additional Allocations for High School Special Programs	6.0	365,460
Reduce Inflation Rate for Textbooks & Instructional Materials from 6 to 3 Percent		671,907
Reduce Positions in the Office of School Performance	2.0	282,807
Subtotal	22.000	\$ 1,997,051
Office of the Deputy Superintendent of Schools:		
Reduce Supplies - Department of Shared Accountability		\$ 6,300
Reduce Funds for Kennedy Cluster Program Evaluation		98,000
Subtotal	0.000	\$ 104,300
Department of Communications:		
Reduce Printing Supplies, Part-time Salaries, Contractual Services, Other Items	0.000	\$ 100,000
TOTAL	70.310	\$10,631,231

Montgomery County Public Schools

FY 2009 OPERATING BUDGET

Realignments

Each year, the Montgomery County Public Schools (MCPS) realigns millions of dollars of positions and other resources within and between units to implement the strategic plan by aligning resources with the most important priorities. Each unit reviews all expenditures through a zero-based budgeting process to identify expenditures that can be realigned to more important priorities. For FY 2009, \$13.9 million has been realigned within and between major units. Some of the major realignments are described below:

Office of the Chief Operating Officer

Realignment of a total of \$3,166,000 in a variety of units, including the following:

- Addition of an account assistant III position in the Division of School Plant Operations offset by reductions in a variety of accounts in this division
- Addition of 2.0 transportation dispatchers (\$129,678), 20.0 bus route supervisors (\$586,620), and 5.0 transportation cluster managers (\$324,195), realigned from 7.0 transportation cluster supervisors (\$453,973), 10.0 bus operators (\$313,660), and 10.0 bus operator permanent substitutes (\$272,960), based on the new supervisory model
- An increase in bus equipment repairs, bus tires, and bus fuel (\$206,117) realigned from savings in bus parts
- An increase of a 1.0 coordinator in the Department of Association Relations realigned from professional part-time (\$25,000) and association relations expenses (\$50,000).
- An increase of 2.125 positions in the Department of Reporting and Regulatory Accountability realigned from part-time accounts (\$93,447)

Office of the Chief Technology Officer

A total of \$5,799,130 in realignments between units including a major reorganization to flatten the management structure of the office. The realignments include the following:

- Realignment of a 1.0 secretary and a 1.0 data systems operator from the Division of Technology Support to School Technology Support (\$47,266) and Technology Service and Support (\$49,480)

- Realignment of 8.0 IT systems specialists from the Technology Systems Maintenance unit (\$566,304) to Technology Service and Support
- Realignment of contractual maintenance to program supplies in Telecommunications Services (\$195,150)
- Realignment of a 1.0 systems engineer in Field Installation to School Technology Support (\$105,210)
- Realignment of consultants to contractual services in the Department of Student and Business Technologies (\$116,029)
- Realignment of contractual services to contractual maintenance in the Business Systems unit (\$294,342)
- Realignment of contractual maintenance to lease/purchase equipment in the Central Server unit (\$194,758)
- Realignment of consultants to other uses in the Directory Services unit (\$143,443)

Office of Special Education and Student Services

A total of \$2,015,182 in realignments between units including:

- Realignment of 16.0 teacher positions from secondary learning centers to facilitate the transition of students to other school-based programs (\$1,026,550)
- Realignment of 2.0 program specialists from secondary learning centers to the Bridge program to facilitate the transition of learning center students (\$141,092)
- Realignment of 20.0 paraeducator positions for Medical Assistance programs to school-based special education to reflect a projected decrease in Medicaid reimbursement (\$603,618)

Office of Organizational Development

A total of \$2,220,342 in realignments including the following:

- Realignment of a 1.0 supervisor from the OOD office to diversity training (\$119,360)
- Realignment of a 1.0 instructional specialist from Skillful Leader and Teacher unit to Diversity Training unit (\$101,474)
- Realignment of consultants to staff training in the Diversity Training unit (\$126,160)

- Realignment of consultants to staff training in Curriculum Training (\$238,200)
- Realignment of support services part-time salaries to consultants in Support Services Training (\$93,905)
- Realignment of staff training salaries to substitute salaries in the Diversity Training unit (\$55,917)

Office of Curriculum and Instructional Programs

A total of \$667,301 in realignments including the following:

- Realignment of instructional materials to assessment (\$150,195)
- Realignment of instructional materials to teacher training materials in the Department of Accelerated and Enriched Instruction (\$70,510)

Montgomery County Public Schools

FY 2009 OPERATING BUDGET

Inflation and Other Cost Changes

Miscellaneous changes and cost increases resulting from inflation to maintain the same level of services increase the Montgomery County Public Schools (MCPS) FY 2009 Operating Budget by \$6.4 million (0.3 percent). Below are details of the reasons for the increase.

- Cost increases resulting from inflation and miscellaneous factors total \$6,437,860.
- After a period of price stability, inflation in the Washington metropolitan area is at 3.3 percent, lower than the past two years. Inflationary increases are calculated for most budgeted items other than salaries, and increases for major items that have specific rates different from general inflation rates are calculated separately. These include such items as utilities, diesel fuel, bus parts, tuition costs for students with disabilities who are in private placements, textbooks, and instructional materials.
- Sharp increases in the price of crude oil and other sources of energy will result in major increases in the costs of operating school buses, schools and other facilities.
- Higher costs for diesel fuel for school uses and other vehicles and bus replacement total \$1,737,667. This results primarily from an expected increase in average diesel fuel costs from \$2.50 to \$2.75 per gallon.
- Inflation for instructional and other supplies and materials is \$1,698,657, based on the 6 percent inflation rate for textbooks and other instructional materials. However, the budget includes a reduction of \$671,907 to limit the inflationary adjustment to 3 percent.
- A total of \$10.2 million is budgeted for textbooks.
- Utilities increases resulting from higher costs of natural gas and electricity total a net of \$93,835. Estimated savings from rebidding electricity contracts and energy conservation measures of \$1.5 million limit the increase in utilities costs.
- Higher costs resulting from expected 4 percent rate increases and catching up for past increases for non-public placement for special education students are \$2,539,923. Other inflationary and miscellaneous increases in special education total approximately \$594,000, including \$350,000 to pay for increased costs of interpreters for students included in regular education classes who are deaf or hard of hearing, \$188,000 for required employee training, and \$56,000 for local travel costs, assistive technology materials, and other expenditures.

- Although food and consumables costs of the Division of Food and Nutrition Services continue to increase with inflation, net reductions in the annual appropriation for food services of \$1,390,923 are possible without endangering a satisfactory fund balance in this self-supporting fund based on prior year results.
- Costs for plant operations, maintenance, and facilities will decrease by a net of \$198,000. Decreases of \$448,000 because of one-time expenses for floor burnishers are partially offset by increases of \$250,000 for contractual maintenance (\$50,000), vehicle operations (\$20,000), custodial and maintenance supplies (\$150,000), and other costs (\$30,000).
- Higher costs for technology services of \$1,275,102, including computer security systems maintenance (\$570,547), software and hardware maintenance (\$396,855), and other software expenditures (\$307,700) are offset by a decrease of \$892,000 related to completion of development of the new Financial Management System.
- Other cost increases total \$350,039, including additional support for academic initiatives programs (\$188,979), improvements in the Copy-Plus program to reduce copying of materials at schools (\$89,060), and expenses for the High School Plus program as it expands to additional grades (\$72,000).

FY 2009 QUESTION NUMBER: 34

QUESTION:

Provide information on the difference between focus schools, schools in transition, and Title I schools. What schools fall into each of the three categories?

BUDGET PAGE REFERENCE: 1-3, 1-37

ANSWER:

A school is considered a focus school when its student population does not meet the level of poverty that would qualify for Title I designation, but does have a higher level of poverty than a majority of the schools in MCPS. The level of poverty for focus school designation is finalized after the budget is approved, and the number of schools we are able to support is determined. These schools receive allocation for reduced class size for Kindergarten through Grade 2, as do Title I schools, but do not receive any other services or staffing uniquely provided through the Title I grant.

The attached January 4, 2008, memorandum to the members of the Board of Education from Dr. Weast provides information regarding Title I and Transition schools. Title I of the *No Child Left Behind Act of 2001* (NCLB Act) delineates the process for identifying schools as eligible for funding based on the October 31, 2007, Free and Reduced-price Meals System (FARMS) ranking of schools. Schools with a FARMS ranking above 75 percent must receive funds. Local districts make the decision on how many additional schools above the district FARMS average to serve based on several factors, but primarily on the overall Title I allocation. The NCLB Act allows districts to continue to provide Title I funds to schools that fall below the district-established Title I cut-off percentage for one-year as a way to avoid having schools constantly entering and exiting the Title I program. If a school continues to fall below the district cut-off point for a second year, MCPS provides local transition funds at the 50 percent level for the first year and 25 percent level for the second year.

Attached is a list of current focus schools, schools in transition, and Title I schools.

	A	B	C
1	FY 2008 63 Focus Elementary Schools	Beall	
2	(40 Focus schools plus 23 Focus Title 1	Bel Pre	
3	Focus schools = 63)	Brookhaven	
4		Brown Station	
5		Cannon Road	
6		Clopper Mill	
7		Cresthaven	
8		Daly	
9		Drew	
10		Fairland	
11		Flower Hill	
12		Forest Knolls	
13		Fox Chapel	
14		Galway	
15		Glen Haven	
16		Glenallan	
17		Greencastle	
18	Transition	Highland View	
19	Transition	Jackson Road	
20		Maryvale	
21		Meadow Hall	
22		Mill Creek Towne	
23		Oakland Terrace	
24		Page	
25	Transition	Pine Crest	
26		Piney Branch	
27		Resnik	
28		Ride	
29		Rock Creek Forest	
30		Rock Creek Valley	
31		Rock View	
32		Sequoyah	
33		Sligo Creek	
34		Stedwick	
35		Strathmore	
36		Strawberry Knoll	
37		Takoma Park	
38		Watkins Mill	
39		Whetstone	
40		Woodlin	
41	23 Title I Elementary Schools	Arcola	
42		Broad Acres	
43		Burnt Mills	
44		East Silver Spring	
45		Gaithersburg	
46		Georgian Forest	
47		Harmony Hills	
48		Highland	
49		Kemp Mill	
50		Montgomery Knolls	
51		New Hampshire Estates	
52		Nix	
53		Oak View	
54		Rolling Terrace	
55		Rosemont	
56		Shriver	
57		South Lake	
58		Summit Hall	
59		Twinbrook	
60		Viers Mill	
61		Washington Grove	
62		Weller Road	
63		Wheaton Woods	

FY 2009 QUESTION NUMBER: 38

QUESTION:

What is the current FARMS rate for each school? What schools are being considered as new focus schools? What schools are expected to have focus school resources realigned? Will they continue to have the class size reduction initiative under this proposal?

BUDGET PAGE REFERENCE: 1-6

ANSWER:

Attached is a spreadsheet showing the Free and Reduced-price Meals System (FARMS) rate for each school for FY 2008. Because FARMS rates have changed significantly for some schools since focus schools were initially identified, the FY 2009 operating budget includes an initiative to add three new focus schools and provide the class size reduction and other support as is provided for existing focus schools. Existing resources provided to focus schools will be realigned from several schools at which FARMS rates have declined significantly. Based on current FARMS rates, schools being considered as new focus schools include Waters Landing, Lake Seneca, and Christa McAuliffe elementary schools. The schools being considered for realigning resources include Rock Creek Forest, Sligo Creek, Woodlin, and Takoma Park elementary schools. The three new focus schools and each of the four current schools listed above will retain the lower class size initiative.

Number of Students Eligible for Free and Reduced Price Meals
Maryland Public Schools 2007-2008
Eligibility as of October 31, 2007
Montgomery County

School Number	School Name	Enrollment	Free Meals	Reduced Meals	Total	Percentage
Elementary Schools						
484	Stephen Knolls Pre-K	39	28	9	37	94.87%
304	Broad Acres ES	447	322	74	396	88.59%
797	Harmony Hills ES	495	270	110	380	76.77%
774	Highland ES	488	272	97	369	75.61%
766	Oak View ES	242	141	36	177	73.14%
788	Wheaton Woods ES	436	222	91	313	71.79%
791	New Hampshire Estates ES	386	224	52	276	71.50%
563	Summit Hall ES	454	256	64	320	70.48%
779	Sargent Shriver ES	618	276	158	434	70.23%
790	Arcola ES	347	169	74	243	70.03%
772	Viers Mill ES	464	221	92	313	67.46%
805	Kemp Mill ES	435	192	100	292	67.13%
777	Weller Road ES	466	230	81	311	66.74%
564	South Lake ES	549	264	101	365	66.48%
786	Georgian Forest ES	457	203	78	281	61.49%
756	East Silver Spring ES	227	100	39	139	61.23%
553	Gaithersburg ES	481	207	86	293	60.91%
307	Roscoe Nix ES	404	150	95	245	60.64%
100	Clopper Mill ES	442	181	85	266	60.18%
776	Montgomery Knolls ES	386	167	63	230	59.59%
767	Glen Haven ES	564	212	124	336	59.57%
808	Cresthaven ES	340	127	70	197	57.94%
309	Burnt Mills ES	349	137	64	201	57.59%
807	Brookhaven ES	392	144	81	225	57.40%
552	Washington Grove ES	372	145	68	213	57.26%
305	Jackson Road ES	539	229	73	302	56.03%
206	Twinbrook ES	519	210	80	290	55.88%
771	Rolling Terrace ES	618	249	91	340	55.02%
561	Watkins Mill ES	529	216	61	277	52.36%
111	Capt. James E. Daly ES	557	211	76	287	51.53%
780	Bel Pre ES	480	170	77	247	51.46%
822	Strathmore ES	391	141	60	201	51.41%
334	Greencastle ES	565	218	72	290	51.33%
817	Glenallen ES	370	126	62	188	50.81%
559	Brown Station ES	379	143	49	192	50.66%
555	Rosemont ES	478	170	69	239	50.00%
558	Whetstone ES	586	210	69	279	47.61%
549	Flower Hill ES	442	144	65	209	47.29%
310	Cannon Road ES	392	116	69	185	47.19%
568	Stedwick ES	576	198	72	270	46.88%
313	Galway ES	692	212	107	319	46.10%
761	Pine Crest ES	346	122	34	156	45.09%
565	Sequoyah ES	432	133	60	193	44.68%
106	Fox Chapel ES	540	155	86	241	44.63%
784	Highland View ES	329	109	37	146	44.38%

School Number	School Name	Enrollment	Free Meals	Reduced Meals	Total	Percentage
514	Judith A. Resnik ES	544	158	70	228	41.91%
303	Fairland ES	518	173	44	217	41.89%
795	Rock View ES	493	108	95	203	41.18%
569	Strawberry Knoll ES	532	139	79	218	40.98%
210	Maryvale ES	595	164	61	225	37.82%
110	S. Christa McAuliffe ES	566	156	58	214	37.81%
212	Meadow Hall ES	319	86	32	118	36.99%
749	Piney Branch ES	467	121	44	165	35.33%
769	Oakland Terrace ES	693	164	76	240	34.63%
312	William Tyler Page ES	368	89	38	127	34.51%
747	Dr. Charles R. Drew ES	434	101	45	146	33.64%
803	Forest Knolls ES	506	105	57	162	32.02%
108	Lake Seneca ES	342	74	35	109	31.87%
109	Waters Landing ES	645	137	65	202	31.32%
242	Dr. Sally K. Ride ES	501	112	43	155	30.94%
207	Beall ES	600	123	58	181	30.17%
546	Goshen ES	626	125	60	185	29.55%
556	Mill Creek Towne ES	437	82	47	129	29.52%
819	Rock Creek Valley ES	386	73	38	111	28.76%
302	Burtonsville ES	626	121	59	180	28.75%
102	Germantown ES	288	58	22	80	27.78%
517	Sligo Creek ES	617	113	35	148	23.99%
340	Great Seneca Creek ES	682	117	40	157	23.02%
505	Lucy V. Barnsley ES	598	98	35	133	22.24%
764	Woodlin ES	411	62	27	89	21.65%
754	Takoma Park ES	396	62	22	84	21.21%
101	Clarksburg ES	324	34	33	67	20.68%
360	Jones Lane ES	509	72	32	104	20.43%
566	Fields Road ES	392	47	32	79	20.15%
158	Ronald A. McNair ES	734	105	41	146	19.89%
773	Rock Creek Forest ES	500	80	19	99	19.80%
706	Clearspring ES	626	95	26	121	19.33%
244	Thurgood Marshall ES	497	61	29	90	18.11%
504	Westover ES	269	26	22	48	17.84%
204	Garrett Park ES	446	58	21	79	17.71%
518	Brooke Grove ES	403	53	14	67	16.63%
511	Cashell ES	302	32	18	50	16.56%
702	Damascus ES	287	36	11	47	16.38%
336	Little Bennett ES	769	79	41	120	15.60%
229	College Gardens ES	574	70	16	86	14.98%
794	Rosemary Hills ES	601	57	32	89	14.81%
506	Flower Valley ES	443	37	27	64	14.45%
156	Lois P. Rockwell ES	406	31	27	58	14.29%
703	Cedar Grove ES	571	59	20	79	13.84%
153	Poolesville ES	405	39	17	56	13.83%
652	Monocacy ES	204	18	10	28	13.73%
570	Diamond ES	438	41	18	59	13.47%
227	Ritchie Park ES	428	39	18	57	13.32%
316	Stonegate ES	453	34	26	60	13.25%
523	Spark M. Matsunaga ES	877	72	40	112	12.77%
502	Olney ES	586	37	35	72	12.29%
508	Candlewood ES	344	33	9	42	12.21%

School Number	School Name	Enrollment	Free Meals	Reduced Meals	Total	Percentage
220	Luxmanor ES	350	32	10	42	12.00%
159	Rachel Carson ES	808	76	17	93	11.51%
501	Sherwood ES	481	31	24	55	11.43%
425	Ashburton ES	583	48	18	66	11.32%
51	Laytonsville ES	470	32	20	52	11.06%
403	Chevy Chase ES	439	34	14	48	10.93%
308	Cloverly ES	503	36	14	50	9.94%
415	North Chevy Chase ES	316	20	10	30	9.49%
607	Bells Mill ES	406	25	10	35	8.62%
401	Bethesda ES	447	24	9	33	7.38%
233	Fallsmead ES	483	26	9	35	7.25%
216	Travilah ES	456	23	9	32	7.02%
513	Belmont ES	408	15	12	27	6.62%
704	Woodfield ES	402	21	5	26	6.47%
241	DuFief ES	404	21	5	26	6.44%
512	Greenwood ES	579	23	13	36	6.22%
783	Kensington-Parkwood ES	499	21	8	29	5.81%
405	Somerset ES	379	9	12	21	5.54%
653	Stone Mill ES	642	25	9	34	5.30%
419	Burning Tree ES	515	14	5	19	3.69%
226	Beverly Farms ES	585	16	5	21	3.59%
219	Farmland ES	598	11	9	20	3.34%
351	Darnestown ES	382	10	2	12	3.14%
601	Potomac ES	541	14	0	14	2.59%
408	Westbrook ES	336	5	3	8	2.38%
209	Lakewood ES	598	10	4	14	2.34%
235	Wayside ES	603	6	7	13	2.16%
420	Bannockburn ES	343	4	3	7	2.04%
422	Wyngate ES	559	4	7	11	1.97%
603	Seven Locks ES	259	2	3	5	1.93%
410	Bradley Hills ES	423	6	0	6	1.42%
604	Carderock Springs ES	298	1	3	4	1.34%
417	Wood Acres ES	616	4	3	7	1.14%
238	Cold Spring ES	411	1	1	2	0.49%
	Total Elementary	61,740	13,258	5,563	18,821	30.48%
	Middle Schools					
792	Newport Mill MS	640	217	105	322	50.31%
818	Col. E. Brooke Lee MS	465	169	63	232	49.89%
311	Francis Scott Key MS	738	240	126	366	49.59%
787	Loiederman MS	924	297	149	446	48.27%
647	Silver Spring International MS	739	262	92	354	47.90%
811	White Oak MS	726	232	93	325	44.77%
812	Parkland MS	787	245	106	351	44.60%
778	Sligo MS	610	182	88	270	44.26%
823	Argyle MS	779	232	111	343	44.03%
115	Neelsville MS	871	270	113	383	43.97%
557	Montgomery Village MS	656	213	68	281	42.84%
775	Eastern MS	792	248	84	332	41.92%
248	Forest Oak MS	784	213	101	314	40.05%
333	Benjamin Banneker MS	756	194	89	283	37.43%
554	Gaithersburg MS	723	175	68	243	33.61%

School Number	School Name	Enrollment	Free Meals	Reduced Meals	Total	Percentage
107	Martin Luther King Jr. MS	635	142	63	205	32.28%
521	Shady Grove MS	622	126	68	194	31.19%
335	Briggs Chaney MS	885	196	79	275	31.07%
820	Earle B. Wood MS	805	162	70	232	28.82%
562	Redland MS	674	146	46	192	28.49%
157	Roberto W. Clemente MS	1,153	220	107	327	28.36%
211	Julius West MS	975	199	73	272	27.90%
755	Takoma Park MS	855	157	62	219	25.61%
105	Ridgeview MS	741	89	51	140	18.89%
707	Rocky Hill MS	1,063	107	66	173	16.27%
522	Lakelands Park MS	846	94	40	134	15.84%
708	Kingsview MS	861	90	37	127	14.75%
412	Westland MS	1,035	85	37	122	11.79%
705	John T. Baker MS	689	55	25	80	11.61%
507	William H. Farquhar MS	716	50	31	81	11.31%
232	Tilden MS	698	51	27	78	11.17%
247	John H. Poole MS	387	18	16	34	8.79%
155	Rosa M. Parks MS	921	38	29	67	7.27%
413	North Bethesda MS	792	32	12	44	5.56%
237	Robert Frost MS	1,146	35	18	53	4.62%
606	Cabin John MS	929	27	14	41	4.41%
228	Herbert Hoover MS	1,043	17	5	22	2.11%
428	Thomas W. Pyle MS	1,303	17	3	20	1.53%
	Total Middle	30,764	5,542	2,435	7,977	25.93%
	High Schools					
782	Wheaton HS	1,312	431	195	626	47.71%
815	John F. Kennedy HS	1,447	367	161	528	36.49%
789	Albert Einstein HS	1,569	388	177	565	36.01%
545	Watkins Mill HS	1,710	441	125	566	33.10%
757	Montgomery Blair HS	2,770	624	245	869	31.37%
798	Springbrook HS	1,881	412	169	581	30.89%
796	Northwood HS	1,266	270	114	384	30.33%
551	Gaithersburg HS	2,093	425	147	572	27.33%
104	Seneca Valley HS	1,349	215	107	322	23.87%
249	Clarksburg HS	1,467	236	92	328	22.36%
315	Paint Branch HS	1,784	257	116	373	20.91%
510	Col. Zadok A. Magruder HS	2,088	280	121	401	19.20%
230	Rockville HS	1,251	159	80	239	19.10%
321	James Hubert Blake HS	1,860	229	78	307	16.51%
246	Northwest HS	2,046	235	100	335	16.37%
201	Richard Montgomery HS	1,873	213	93	306	16.34%
125	Quince Orchard HS	1,749	198	82	280	16.01%
503	Sherwood HS	2,135	190	57	247	11.57%
701	Damascus HS	1,461	95	43	138	9.45%
406	Bethesda-Chevy Chase HS	1,722	103	43	146	8.48%
424	Walter Johnson HS	1,961	85	40	125	6.37%
234	Thomas S. Wootton HS	2,471	78	37	115	4.65%
152	Poolesville HS	1,012	26	13	39	3.85%
602	Winston Churchill HS	2,102	44	15	59	2.81%
427	Walt Whitman HS	1,866	28	7	35	1.88%
	Total High	44,245	6,029	2,457	8,486	19.18%

School Number	School Name	Enrollment	Free Meals	Reduced Meals	Total	Percentage
	Alternative and Special Schools					
236	Mark Twain School	62	32	4	36	58.06%
239	Alternative Programs	212	83	17	100	47.17%
916	Rock Terrace	89	26	8	34	38.20%
215	Carl Sandburg Center	110	27	10	37	33.64%
799	Stephen Knolls School	92	24	4	28	30.43%
965	Regional Inst. for Children & Adolescents (RICA)	112	21	4	25	22.32%
951	Longview School	48	5	5	10	20.83%
525	MCPS Transitions School	48	6	2	8	16.67%
524	Gateway to College Program	223	16	2	18	8.07%
	Total Alternative and Special	996	240	56	296	29.72%
	Total All Sites	137,745	25,069	10,511	35,580	25.83%

FY 2001-2008 Reform Initiatives

	Office	FY 2001-06 Total		FY 2007 Funded		FY 2008 App		FY 2009 Rec		FY 2001-09 Total	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
A Early Success											
1 Pre-kindergarten expansion	OSP	13.6	655,851							13.6	655,851
2 Full-day kindergarten	OSP	241.5	12,464,486	45.0	3,038,474					286.5	15,502,960
3 Support for focus schools - incl. Title I	OCIP	31.4	4,952,051			24.7	2,909,601	6.3	573,789	62.4	8,435,441
4 Subtotal Early Success		286.5	18,072,388	45.0	3,038,474	24.7	2,909,601	6.3	573,789	362.5	24,594,252
B Class Size Reduction											
1 Elementary class size guideline reduction	OSP	145.0	7,862,619	3.0	174,034	3.0	174,285			151.0	8,210,938
2 Secondary class size guideline reduction	OSP	124.5	5,980,356	25.0	1,450,281					149.5	7,430,637
3 Eliminate most elementary combination classes		9.0	509,845							9.0	509,845
4 Special education class size reduction	OSCS	50.0	1,901,111	58.2	2,535,347					108.2	4,436,458
Counting LRE-A students in Gen Ed - Elem.	OSCS							10.0	602,187	10.0	602,187
Kindergarten - Grade 2 Class Size Reduction	OSP	166.5	7,497,421							166.5	7,497,421
5 Subtotal Class Size Reduction		495.0	23,751,352	86.2	4,159,652	3.0	174,285	10.0	602,187	594.2	28,687,486
C Special Education											
1 Psychologists	OSESS	12.0	797,930							12.0	797,930
2 Seven hour SEIA for every class for student safety and	OSESS	57.3	1,552,418							57.3	1,552,418
3 Special education cluster model	OSESS	6.0	264,664							6.0	264,664
4 IDEA	OSESS	9.1	580,539							9.1	580,539
5 LRE	OSESS	46.4	2,154,849							46.4	2,154,849
6 Collaborative Action Process (CAP)	OSESS	6.0	511,985							6.0	511,985
7 Intensive needs-based reading program	OSESS	15.0	708,185							15.0	708,185
8 Hours-based staffing at middle schools	OSESS			15.3	532,763	31.5	1,810,029	17.8	923,102	64.6	3,265,894
9 Other Special Education program enhancement	OSESS	5.0	321,913	1.5	697,517	1.0	86,779			7.5	1,106,209
10 Resource room teachers	OSESS	6.0	273,330							6.0	273,330
11 Subtotal Special Education		162.8	7,165,813	16.8	1,230,280	32.5	1,896,808	17.8	923,102	229.8	11,216,003
D ESOL Services											
1 Proficiency staffing	OCIP	12.5	839,549							12.5	839,549
2 METS staffing	OCIP			2.0	90,468	1.0	154,647	2.6	163,711	5.6	408,826
3 Bilingual assessment	OCIP	3.0	181,424							3.0	181,424
4 ESOL counseling	OCIP	3.0	181,424							3.0	181,424
5 ESOL parent outreach	OCIP	4.5	226,152	4.0	254,316					8.5	480,468
6 Subtotal ESOL Services		23.0	1,428,549	6.0	344,784	1.0	154,647	2.6	163,711	32.6	2,091,691

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	Office	FY 2001-06 Total		FY 2007 Funded		FY 2008 App		FY 2009 Rec		FY 2001-09 Total	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
E Counseling and Mental Health											
1	School counseling services - Elementary	6.0	338,077					6.0	529,092	12.0	867,169
2	School counseling services - Secondary	5.0	290,622			20.5	1,647,565			25.5	1,938,187
3	Truancy and dropout prevention	6.0	392,178							6.0	392,178
	Positive Behavior and Intervention Support								173,862		173,862
4	Substance abuse prevention		69,727								69,727
5	Subtotal Counseling and Mental Health	17.0	1,090,604			20.5	1,647,565	6.0	702,954	43.5	3,441,123
G Middle School Reform											
1	Middle School Reform					21.3	2,500,000	26.0	3,317,097	47.3	5,817,097
	Middle School Magnet Consortium							14.8	1,222,934	14.8	1,222,934
	Expansion of MSMC courses							1.0	744,871	1.0	744,871
2	Middle School extended year / extended day		1,064,290		250,000						1,314,290
7	Subtotal Middle School Reform		1,064,290		250,000	21.3	2,500,000	41.8	5,284,902	63.0	9,099,192
H High School Reform											
1	High School Support (literacy, class size reduction)			32.0	2,600,000	10.0	545,912			42.0	3,145,912
2	Signature programs		202,500								202,500
3	Northeast Consortium	8.7	326,322							8.7	326,322
4	Downcounty Consortium	23.0	1,486,530							23.0	1,486,530
5	Evening High School/High School Plus		156,514				400,000				556,514
6	SAT short-term and long-term initiatives		243,046								243,046
7	Exam fees for disadvantaged		100,000								100,000
8	Subtotal High School Reform	31.7	2,514,912	32.0	2,600,000	10.0	945,912			73.7	6,060,824
I Other School Programs											
1	School organization	48.5	2,927,508	2.0	198,142		123,188			50.5	3,248,838
2	Athletic Program financial support	4.6	687,131				391,000			4.6	1,078,131
3	Security	11.0	733,042		250,000					11.0	983,042
	Lunch hour aides							4.0	103,037	4.0	103,037
4	School infrastructure and environment	71.5	2,620,466							71.5	2,620,466
5	Substitutes and Teacher Assistants			12.5	701,686					12.5	701,686
6	Assistant Principals in Elementary Schools			15.0	1,574,676	15.0	1,583,040	10.0	1,078,880	40.0	4,236,596
7	Kennedy Cluster project						150,000				150,000
8	On Line Learning					2.0	217,154			2.0	217,154
9	Career and Technology programs	1.0	206,223		250,000					1.0	456,223

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	Office	FY 2001-06 Total		FY 2007 Funded		FY 2008 App		FY 2009 Rec		FY 2001-09 Total	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
10											
1	Subtotal Other School Programs	136.6	7,174,370	29.5	2,974,504	17.0	2,464,382	14.0	1,181,917	197.1	13,795,173
1	Curriculum and Instruction										
1	Raising literacy standards		320,612								320,612
2	Reading and writing acceleration	48.0	4,123,011							48.0	4,123,011
3	Mathematics acceleration	18.5	1,913,577							18.5	1,913,577
4	Roberto Clemente Upcounty Center		55,427								55,427
5	G/T Services - magnet and highly gifted programs	0.4	189,190	4.5	399,330	2.0	116,190		120,960	6.9	825,670
6	G/T services - IB programs	1.0	293,558		191,271				79,310	1.0	564,139
7	Other instructional program enhancement	13.0	1,001,900			14.6	647,661			27.6	1,649,561
8	Subtotal Curriculum and Instruction	80.9	7,897,275	4.5	590,601	16.6	763,851		200,270	102.0	9,451,997
J	Shared Accountability										
1	Technology for Curriculum Mastery	4.0	2,174,924							4.0	2,174,924
2	Program evaluation	6.0	430,224	1.0	118,163					7.0	548,387
3	Subtotal Shared Accountability	10.0	2,605,148	1.0	118,163					11.0	2,723,311
L	Technology										
1	Technology modernization	22.0	1,294,292							22.0	1,294,292
2	Title II Technology grant	2.0	420,558							2.0	420,558
3	Title V Technology grant		16,114								16,114
4	School Technical/Network Support	4.0	296,586			3.0	226,430			7.0	523,016
5	Other Technology Support			7.0	711,438					7.0	711,438
6	Instructional Management System - Middle Schools	1.0	103,801							1.0	103,801
7	Communications for learning - web services, televisio	6.5	785,578							6.5	785,578
8	Subtotal Technology	35.5	2,916,929	7.0	711,438	3.0	226,430			45.5	3,854,797

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	Office	FY 2001-06		FY 2007		FY 2008		FY 2009		FY 2001-09	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Partnerships											
1 Parent outreach	ODS	7.0	550,071							19.5	1,561,096
2 Mont. College partnership	OCIP	11.2	1,022,621	5.5	500,000	1.0	66,534	6.0	444,491	11.2	1,022,621
3 Subtotal Partnerships		18.2	1,572,692	5.5	500,000	1.0	66,534	6.0	444,491	30.7	2,583,717
Central Support											
1 Transportation		5.0	248,624	2.5	75,020					7.5	323,644
2 School Safety and Security		1.0	89,700							1.0	89,700
3 Building Services		18.0	546,411	18.0	601,401		448,000			36.0	1,595,812
4 New Financial System			200,000				500,000				700,000
5 Board of Education support	BOE					1.0	71,097			1.0	71,097
6 Human Relations Compliance		1.0	98,757							1.0	98,757
7 Subtotal Central Support		25.0	1,183,492	20.5	676,421	1.0	1,019,097			46.5	2,879,010
Staff Development											
1 School performance coaches	OSD		51,839								51,839
2 Consulting teachers	OSD	60.0	2,905,157							60.0	2,905,157
3 Leadership Institute	OSD	4.0	429,975							4.0	429,975
Professional Learning Communities Institute	OOD										
4 Teacher recruitment and certification support	OHR	2.0	180,167					1.0	88,183	1.0	88,183
5 Improving Teacher Quality (Title II)	OSD	3.0	1,206,625				63,879			3.0	244,046
6 Staff development teachers	OSD	142.0	6,171,610			1.0	84,144			3.0	1,206,625
7 Skillful teaching	OSD	12.0	1,704,499							143.0	6,255,754
8 PAR program (A&S System)	OSD		11,379							12.0	1,704,499
9 Staff development substitute teachers	OSD		3,041,510								11,379
10 New teacher induction	OSD		372,350								3,041,510
11 CPD courses	OSD		102,590								372,350
12 Administrator training and development	OSD	2.0	542,901								102,590
13 Supporting services training	OSD	6.0	653,046	2.0	174,483	1.0	48,379			2.0	542,901
14 Training support	OSD	2.0	71,986							9.0	875,908
15 Subtotal Staff Development		233.0	17,445,634	2.0	174,483	3.0	196,402	1.0	88,183	239.0	17,904,702
GRAND TOTAL		1,555.2	\$94,819,158	255.9	\$17,368,810	154.6	\$14,965,514	105.4	\$10,165,506	2,071.0	\$138,383,278

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LEASE / PURCHASE OF BUSES

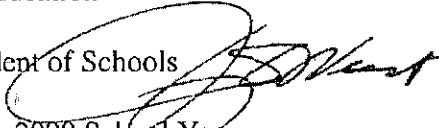
PURPOSE	Fiscal Year Purchased	TYPE			Total
		36 Passenger	48 Passenger	69/57 Passenger	
Growth / New Programs	1998		17	9	26
Growth / New Programs	1999	8	10	9	27
Growth / New Programs	2000		15	13	28
Growth / New Programs	2001	4	5	15	24
Growth / New Programs	2002	8	7	8	23
Growth / New Programs	2003		6	1	7
Growth / New Programs	2004		5	19	24
Growth / New Programs	2005		30		30
Growth / New Programs	2006		9	17	26
Growth / New Programs	2007		12		12
Growth / New Programs	2008			13	13
Growth / New Programs	2009				
Replacement	1998	10	16	54	80
Replacement	1999	13	38	42	93
Replacement	2000	46	11	37	94
Replacement	2001	4	9	91	104
Replacement	2002	10	8	84	102
Replacement	2003		10	38	48
Replacement	2004		1	11	12
Replacement	2005		33	17	50
Replacement	2006		26	69	95
Replacement	2007		12	78	90
Replacement	2008		112	5	117
Replacement	2009		27	31	58
Total		103	419	661	1183

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

April 8, 2008

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: Title I Funding for the 2008-2009 School Year

Executive Summary

This memorandum provides you with information regarding a change in the procedure for allocating federal Title I Funds to states and local education agencies. This procedure impacts the Fiscal Year 2009 (FY 2009) budget and the amount of funds available for our Title I schools. As a result of the change, Montgomery County Public Schools (MCPS) will receive approximately \$2.2 million less in Title I funds than last year.

Procedure for Allocating Funds

The United States Department of Education (USDE) uses a projected count of the "census poverty" rate to allocate federal funds for Title I, Part A: *Improving the Academic Achievement of the Disadvantaged*. The census poverty is based on the number of students, aged 5-17, who qualify for poverty programs, such as Targeted Assistance for Needy Families (TANF) or Medicaid; participate in programs for children identified as "neglected and/or delinquent;" or are in foster care. Districts with census poverty rates higher than 5 percent of the population of students aged 5-17 qualify for supplemental Title I grant funds.

This year, USDE implemented a new procedure for determining the census poverty rates for states and local school districts to allocate FY 2009 Title I funds. This new procedure used the American Communities Survey (ACS), which was drawn from 32,000 counties, versus the previous process of drawing from 1,200-1,500 counties. This larger sample size leads to substantially lower variances in the identification of the census poverty. Use of the ACS data resulted in a significant decrease in the Maryland census poverty count.

- 8.09 percent reduction in the statewide poverty rate
- 11.50 percent decrease in Maryland's share of national poverty

The FY 2009 Title I funding is based on the census poverty figure for MCPS of 5.4 percent. This is a decrease from the previous year's census poverty figure of 7.9 percent.

Implications

As a result, there will be a decrease in the Title I allocation for MCPS, which impacts the allocations for individual Title I schools, as well as staffing in the Division of Title I Programs.

As indicated in the *No Child Left Behind Act of 2001*, there is a "hold harmless" provision that states districts will maintain a minimum of 85 to 95 percent of the previous year's funding the first year there is a reduction in funds:

Hold harmless accounts—For each fiscal year, if sufficient funds are available, the amount made available to each local educational agency under this section shall be:

(A) not less than 95 percent of the amount made available for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, in the local educational agency

(B) not less than 90 percent of the amount made available for the preceding fiscal year if the percentage described in subparagraph (A) is between 15 and 30 percent; and

(C) not less than 85 percent of the amount made available for the preceding fiscal year if the percentage described in subparagraph (A) is below 15 percent

The following table describes the FY 2008 MCPS Title I allocation and the projected FY 2009 allocation. We have been notified by the Maryland State Department of Education (MSDE) that the FY 2009 allocation will be lower than in previous years but the exact figure is not yet available.

Description	Amount
FY 2008 MCPS Allocation	\$22,519,509
Projected Reduction at 90 Percent	\$ 2,251,951
Projected FY 2009 MCPS Allocation	\$20,267,558

Due to the reduced allocation, the amount of Title I funds distributed to the 28 Title I schools will be lower. In order to provide the maximum amount to schools, the Division of Title I Programs substantially reduced Title I central staff by eliminating an administrative position, seven instructional specialist positions, and one supporting services position. In addition, the expansion of the full-day Head Start program at seven additional schools will need to be delayed by one year due to decreased funding.

Conclusion

The reduction in the Title I allocation for MCPS impacts our neediest schools. We will continue to work with staff to ensure that resources are strategically used to support the significant progress made in student achievement in the Title I schools. If you have any questions, please contact Dr. Felicia Lanham Tarason, director, Division of Title I Programs, at 301-230-0660.

JDW:bwl

Copy to:
Executive Staff

Montgomery County Public Schools

FY 2009 OPERATING BUDGET

Continuing Salaries

Continuing salaries will increase the FY 2009 Operating Budget by \$14,169,424. Continuing salary costs are tied to the negotiated agreements. They include annual salary increments for eligible employees, adjusted by savings for expected employee lapse and turnover. Employee pay is based on salary schedules, published as part of the operating budget, for each pay grade and step. As employees increase their experience, they reach higher steps on the salary schedule. In addition, teacher salaries depend on educational levels. Salaries for supporting services employees depend on the number of hours worked in addition to their years of service.

Continuing Salaries

Changes in employee salaries are determined by negotiated agreements with four employee organizations:

- ☐ Montgomery County Education Association (MCEA) representing teachers and other professional employees
 - ☐ SEIU Local 500 representing supporting services employees
 - ☐ Montgomery County Association of Administrative and Supervisory Personnel (MCAASP) representing administrators and supervisory employees
 - ☐ Montgomery County Business and Operations Administrators (MCBOA) representing non-certificated supervisory employees
-
- Employees receive continuing salary increases related to seniority (steps and longevity). This increase includes \$42.2 million for scheduled annual increments for employees with satisfactory service who are still progressing along salary schedules and for teachers who accumulate sufficient graduate credits to move to a higher salary schedule lane.
 - Included in net continuing salary costs is approximately \$29.5 million in lapse (savings resulting from short-term vacancies) and turnover (savings from replacing a senior employee with a lower-paid junior employee) savings based on historical experience. This amount will be \$1.5 million higher in FY 2009 to reflect the higher level of total salaries.
 - An additional \$1.5 million is required for associated social security and retirement payments related to continuing salary costs.

- The total budget increase for continuing salary costs and related benefits is \$14.2 million. The total includes \$9.4 million for MCEA, \$3.6 million for SEIU Local 500, and \$1.2 million for MCAASP.
- Continuing salaries increase the total budget by 0.7 percent and the budget for salaries and wages by 1.1 percent.
- Budgeted salary costs for FY 2009 assume that all new employees will be hired at the budgeted new-hire rate for their position, including BA4 for regular education teachers and BA6 for special education teachers.

Montgomery County Public Schools

FY 2009 OPERATING BUDGET

Negotiated Agreements

The Montgomery County Public Schools (MCPS) FY 2009 Operating Budget includes an increase of \$75.1 million based on ratified negotiated agreements with the three employee unions. (Negotiations with the Montgomery County Business and Operations Administrators are under way, and increases are based on salaries negotiated with other unions.) The agreements were approved by the Board of Education and signed on February 13, 2007. Funds to fulfill the terms of the agreements on negotiated salary increases are included in the Recommended Operating Budget for FY 2009. Below are details of the agreements.

Increases in employee salaries are determined by negotiated agreements with four employee organizations:

- ☐ Montgomery County Education Association (MCEA) representing teachers
 - ☐ SEIU Local 500 representing supporting services employees
 - ☐ Montgomery County Association of Administrative and Supervisory Personnel (MCAASP) representing administrative and supervisory employees
 - ☐ Montgomery County Business and Operations Administrators (MCBOA) now representing noncertificated supervisors paid on the SEIU salary scale
-
- The negotiated salary adjustments include 5.0 percent for all bargaining unit members for FY 2009. It also includes 4.8 percent plus other compensation changes totaling 0.2 percent for FY 2008, and includes 5.3 percent for FY 2010, and other compensation changes equivalent to .3 percent, for a total of 5.6 percent.
 - The total cost in FY 2009 of the negotiated salary increases (including related benefits) is \$75,064,980. It includes \$50.5 million for MCEA members, \$18.9 million for SEIU Local 500 members, 5.1 million for MCAASP members, and \$0.5 million for MCBOA members.
 - Funding to implement the negotiated agreement includes related employee benefits costs of \$8.1 million for social security and retirement contributions based on salary.

Montgomery County Public Schools

FY 2009 OPERATING BUDGET

Employee Benefits

The Montgomery County Public Schools (MCPS) FY 2009 Operating Budget includes \$416.4 million to provide employee benefits (20 percent of the total operating budget). This is an increase of \$19.3 million (4.9 percent). Health and life insurance coverage for current active and retired employees and their families are provided through the Employee Benefit Plan (EBP). Other employee benefits include retirement, social security (FICA), worker's compensation and other self-insurance, and tuition reimbursement. Additionally, the budget increases by \$16.1 million to pre-fund Other Post Employment Benefits (OPEB). See a separate fact sheet on OPEB.

Health and Life Insurance

- MCPS works with a consultant firm, Aon Consulting, one of the leading firms in the nation with expertise in employee benefit plan administration. Aon studies both national trends and actual MCPS experience to develop projections of future costs. These projections have been very close to actual results for the last several years.
- Joint negotiations with employee unions have resulted in a series of health care plan design changes, including higher co-pays for some plans, changes in pharmaceutical access, and new plan administration. It is estimated that changes in plan administration resulting from rebidding EBP contracts will save \$4.8 million in FY 2009.
- The projected budget increase assumes a 5.5 percent cost increase trend in FY 2009. This rate is higher than the expected rate of inflation, but significantly lower than in previous years. The projection reflects the net of inflationary cost increases and the positive effects of cost containment initiatives and cooperation with other county agencies, including rebidding contracts with third party administrators.
- The cost of health and life insurance for active employees will rise by \$7,998,884. Active employees pay an average of 10 percent of plan expenses, although this varies by plan.
- Retiree health care costs will increase by \$1,048,531. Inflationary cost increases will be partially offset by expected reimbursement increases for Medicare Part D prescription drug costs by \$300,000 in FY 2009.

- Retirees now pay 36 percent of plan costs. The number of retirees is anticipated to increase by 6 percent in FY 2009, consistent with recent trends.

Other Employee Benefits

The cost of other employee benefits is expected to increase by a net of \$10.3 million in FY 2009.

- The cost for current retirement programs will increase by \$3.3 million based on 4.53 percent of salary. Increases in retirement costs have been partially offset by improved investment returns in the retirement fund. A policy of five-year smoothing of investment gains and losses has necessitated significant increases in retirement costs during the past several years to make up for actuarial losses in previous years. Although payments for past investment losses are completed, long-term concerns remain about the funded status of the retirement plan.
- Due to increases in salary costs, contributions to social security are projected to increase by \$6.7 million. Other budget changes related to employee benefits include a reduction of \$253,493 in self-insurance costs for worker's compensation and other insurance, an increase of \$900,000 for tuition reimbursement as more employees take courses to maintain certification and increase job skills, a decrease of \$395,000 in tuition for university partnership programs, and a net increase of \$58,856 for other benefits.
- The operating budget also includes an increase of \$16,060,000 for the second year of a five-year phase-in of payments required for the retiree health trust fund for Other Post-Employment Benefits (OPEB).

Montgomery County Public Schools Lapse and Turnover - Years 2003 -2009

TURNOVER RATE	BUDGET					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
MCAASP			9.4%	9.0%	9.5%	9.5%
MCEA	9.8%	8.4%	8.6%	8.3%	8.6%	8.6%
SEIU	7.3%	9.0%	8.9%	8.7%	8.0%	8.0%
	7.7%	8.1%				
BUDGETED LAPSE & TURNOVER	BUDGET					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
MCAASP	\$ 100,000	\$ 100,000	\$ 100,000	\$ 460,000	\$ 460,000	\$ 460,000
MCEA	10,619,587	11,121,878	11,682,972	12,018,630	15,060,133	17,722,450
SEIU	4,749,776	4,749,776	7,512,402	6,826,681	8,990,855	11,353,949
TOTAL LAPSE & TURNOVER	\$ 15,469,363	\$ 15,971,654	\$ 19,295,374	\$ 19,305,311	\$ 24,510,988	\$ 27,932,449
POSITION SALARIES	BUDGET					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
ADMINISTRATIVE	\$ 59,573,443	\$ 61,967,108	\$ 65,882,524	\$ 71,670,090	\$ 80,268,075	\$ 88,662,417
PROFESSIONAL	652,864,869	678,924,526	712,396,268	752,143,262	795,870,821	858,963,790
SUPPORTING SERVICES	230,588,970	242,117,265	255,075,403	271,600,957	291,877,043	323,432,285
TOTAL POSITION DOLLARS	\$943,027,282	\$ 983,008,899	\$ 1,033,354,195	\$ 1,095,414,309	\$ 1,168,015,939	\$ 1,271,058,492
LAPSE & TURNOVER %	1.64%	1.62%	1.87%	1.76%	2.10%	2.20%
						2.18%

NOTE: The turnover rates include terminations, retirements, and promotions and transfers

Overview of the State Budget Categories

The table below summarizes the major expenses included in each State budget category, as set forth in the Maryland State Department of Education's *Financial Reporting Manual for Maryland Public Schools*.

Table 10: State Budget Category Definitions

	State Budget Category	Major Expenses
1	Administration	<p>Salaries and operating expenses for:</p> <ul style="list-style-type: none"> • General Support Services (e.g. Board of Education and Executive Administration) • Business Support Services (e.g. Fiscal Services, Purchasing Services; Printing, Publishing, and Duplicating Services) • Centralized Support Services (e.g. Planning, Research, Development, and Evaluation Studies; Information Services, Human Resources Services; and Data Processing Services)
2	Mid-level Administration	<p>Salaries and operating expenses associated with Instructional Programs (see Category 3) including:</p> <ul style="list-style-type: none"> • Salaries for principals, assistant principals, secretaries and other school-based administrative staff in the Office of the Principal • Instructional Administration and Supervision, such as curriculum development and audiovisual services
3	Instructional Salaries	<p>Salaries of teachers, instructors, aides, librarians, guidance counselors, school psychologists, and others who work in Instructional Programs such as:</p> <ul style="list-style-type: none"> • Regular Programs (e.g. art, driver education and safety, mathematics, and science) • Special Programs (e.g. Gifted and Talented Programs and ESOL) • Career and Technology Programs • Staff Development
4	Textbooks and Instructional Supplies	Textbooks and supplies for all Instructional Programs that are not Special Education related
5	Other Instructional Costs	Contracted services, travel, equipment, and fund transfers associated with Instructional Programs
6	Special Education	<p>Salaries and operating expenses directly associated with special education including:</p> <ul style="list-style-type: none"> • Public, state, and non-public school instructional programs • Staff development, school-based administration (e.g. principals, assistant principals, clerical staff), and curriculum development

Table 10: State Budget Category Definitions (continued)

	State Budget Category	Major Expenses
7	Student Personnel Services	Salaries and operating expenses for school social workers and pupil personnel workers, whose activities include improving student attendance and providing casework services
8	Health Services	Salaries and operating expenses for school-based physical and mental health service providers. (In Montgomery County, the Department of Health and Human Services funds the majority of Health Services expenses.)
9	Student Transportation	Salaries and operating expenses (e.g. vehicle maintenance and fuel) to provide transportation for general and special education students, as well as student transportation for activities such as field trips, sports, and summer programs
10	Operation of Plant	Salaries and operating expenses for: <ul style="list-style-type: none"> • Warehousing and Distributing Services (e.g. storing and distributing supplies, furniture, equipment, and mail) • Operating Services (e.g. utilities and insurance) • Supervision of Operation and Plant Services • Care and Upkeep of Grounds and Buildings (e.g. landscaping, maintenance of movable equipment, and custodial services) • Security Services (e.g. police services, traffic control)
11	Maintenance of Plant	Salaries and operating expenses for: <ul style="list-style-type: none"> • Supervision of Maintenance of Plant Services (e.g. salaries) • Upkeep of Grounds, Buildings, and Fixed Equipment (e.g. equipment maintenance and repair and meeting code requirements) • Vehicle Maintenance Services (only vehicles not used for student transportation)
12	Fixed Charges	Costs “not readily allocable to other expenditure categories” including: <ul style="list-style-type: none"> • Health insurance and benefits for active and retired employees • Loan interest • Tuition reimbursement for staff
14	Community Services	Salaries and operating expenses for: <ul style="list-style-type: none"> • Regular Community Services (e.g. community recreation, child care) • Non-Public, Non-Disabled, Student Transportation Services • Community Transportation Services